

October 17, 2005

Fluid Minerals Group
Bureau of Land Management
82 East Dogwood
Moab, Utah 84532

RE: Application for Permit to Drill—Dominion Exploration & Production, Inc.
Skyline Unit 8-7, 2,023' FNL & 154' FEL, SE/4 NE/4
Section 7, T15S, R6E, SLB&M, Sanpete County, Utah

Dear Fluid Minerals Group:

On behalf of Dominion Exploration & Production, Inc. (Dominion), Buys & Associates, Inc. respectfully submits the enclosed original and two copies of the *Application for Permit to Drill (APD)* for the above referenced well. A request for exception to spacing (R649-3-2) is hereby requested based on topography since the well is located within 460' of the drilling unit boundary. Dominion Exploration & Production, Inc. is the only owner and operator within 460' of the proposed well. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plats, layouts and photos of the proposed well site;

Exhibit "B" - Proposed location maps with access and utility corridors;

Exhibit "C" - Production site layout;

Exhibit "D" - Drilling Plan;

Exhibit "E" - Surface Use Plan;

Exhibit "F" - Typical BOP and Choke Manifold diagram.

Please accept this letter as Dominion's, written request for confidential treatment of all information contained in and pertaining to this application.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Carla Christian of Dominion at 405-749-5263 if you have any questions or need additional information.

Sincerely,

Don Hamilton

Don Hamilton
Agent for Dominion

cc: Diana Whitney, Division of Oil, Gas and Mining
Tom Lloyd, Forest Service - Ferron District Office
Dale Harber, Forest Service—Supervisors Office
Lee Holmstead, Sanpete County
Carla Christian, Dominion
Ken Secrest, Dominion
Marty Buys, Buys & Associates, Inc.

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OCT 20 2005

DIV. OF OIL, GAS & MINING

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No. UTU-78415	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. N/A	
8. Lease Name and Well No. Skyline Unit 8-7	
9. API Well No. 43-039-30029	
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone	
2. Name of Operator Dominion Exploration & Production, Inc.	
3a. Address 14000 Quail Springs Parkway, Suite 600 Oklahoma City, OK 73134	3b. Phone No. (include area code) 405-749-5263
10. Field and pool, or Exploratory undesignated	
11. Sec., T. R. M. or Blk. and Survey or Area Section 7, T15S, R6E, SLB&M	
12. County or Parish Sanpete	
13. State UT	
14. Distance in miles and direction from nearest town or post office* 24.7 miles northwest of Orangeville, Utah	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 154'	16. No. of acres in lease 40 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 4,900'	19. Proposed Depth 8,750'
20. BLM/BIA Bond No. on file 76S 63050 0330	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 10,584' GL	22. Approximate date work will start* 07/01/2006
23. Estimated duration 30 days	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature <i>Don Hamilton</i>	Name (Printed/Typed) Don Hamilton	Date 10/17/2005
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Title
Agent for Dominion

Approved by (Signature) <i>Bradley G. Hill</i>	Name (Printed/Typed) BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III	Date 02-13-06
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Title

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Federal Approval of this
Action Is Necessary

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NW Cor Sec 6
1934 Brass Cap
1.2' High, Pile
of Stones

T15S, R6E, S.L.B.&M.

WEST - 5156.58' (G.L.O.)

SKYLINE UNIT #8-7
Elev. Ungraded Ground = 10,584'

NOTE:
THE PROPOSED WELL BEARS S38°39'50"E
8231.99' FROM THE NORTHWEST CORNER
OF SECTION 6, T15S, R6E, S.L.B.&M. AND
BEARS N49°06'53"E 6391.28' FROM THE
SOUTHEAST CORNER OF SECTION 12,
T15S, R5E, S.L.B.&M.

LEGEND:

- └─ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

SE Cor Sec. 12
T15S, R5E, SLM
1937 Brass Cap
1.3' High

WEST - 5012.70' (G.L.O.)

(AUTONOMOUS NAD 83)
LATITUDE = 39°32'02.81" (39.534114)
LONGITUDE = 111°17'08.16" (111.285600)
(AUTONOMOUS NAD 27)
LATITUDE = 39°32'02.94" (39.534150)
LONGITUDE = 111°17'05.52" (111.284867)

DOMINION EXPLR. & PROD., INC.

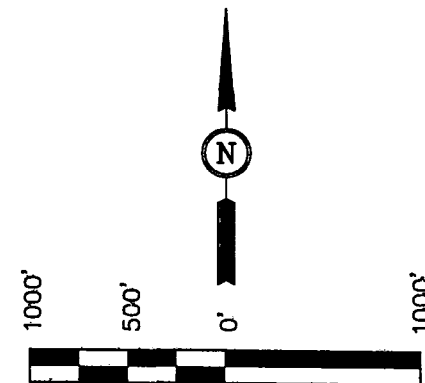
Well location, SKYLINE UNIT #8-7, located as
shown in the SE 1/4 NE 1/4 of Section 7,
T15S, R6E, S.L.B.&M. Sanpete County Utah.

BASIS OF ELEVATION

JORDAN TRIANGULATION STATION, LOCATED IN THE SW 1/4
SECTION 7, T15S, R6E, S.L.B.&M. TAKEN FROM THE HUNTINGTON
RESERVOIR QUADRANGLE, UTAH, SANPETE COUNTY, 7.5 MINUTE
QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED
STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY.
SAID ELEVATION IS MARKED AS BEING 10602 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

Robert H. Hays
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

Revised: 09-25-05 D.R.B.

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 08-15-05	DATE DRAWN: 08-29-05
PARTY B.B. J.R. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE DOMINION EXPLR. & PROD., INC	

DRILLING PLAN

APPROVAL OF OPERATIONS

Attachment for Permit to Drill

Name of Operator: Dominion Exploration & Production
Address: 14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134
Well Location: Skyline Unit 8-7
2023' FNL & 154' FEL
Section 7-15S-6E
Emery County, UT

1. GEOLOGIC SURFACE FORMATION North Horn

2. ESTIMATED DEPTHS OF IMPORTANT GEOLOGIC MARKERS

<u>Formation</u>	<u>Depth</u>
Price River	1,350'
Castlegate	1,850'
Blackhawk	2,150'
Star Point	3,100'
Mancos	3,450'
Emery	4,700'
Bluegate	6,100'
Ferron	8,100'
Tununk	8,625'

3. ESTIMATED DEPTHS OF ANTICIPATED OIL, GAS OR MINERALS

<u>Formation</u>	<u>Depth</u>	<u>Type</u>
Price River	1,350'	—
Castlegate	1,850'	—
Blackhawk	2,150'	—
Star Point	3,100'	—
Mancos	3,450'	—
Emery	4,700'	Gas
Bluegate	6,100'	—
Ferron	8,100'	Gas
Tununk	8,625'	—

4. PROPOSED CASING PROGRAM

All casing used to drill this well will be new casing.

<u>Type</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Conn.</u>	<u>Top</u>	<u>Bottom</u>	<u>Hole</u>
Surface	13-3/8"	61.0 ppf	J-55	STC	0'	2,160'	17-1/2"
Intermediate I	9-5/8"	43.5 ppf	N-80	LTC	0'	4,710'	12-1/4"
Intermediate II	7"	26.0 ppf	N-80	LTC	0'	8,110'	8 3/4"
Production	4-1/2"	11.6 ppf	P110	LTC	0'	8,750'	6-1/4"

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DRILLING PLAN

APPROVAL OF OPERATIONS

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

Surface hole: No BOPE will be utilized.

Intermediate hole: To be drilled using a diverter stack with rotating head to divert flow from rig floor.

Production hole: Prior to drilling out the intermediate casing shoe, 3,000 psi or greater BOP equipment will be installed.

The pipe rams will be operated at least once per day from intermediate casing to total depth. The blind rams will be tested once per day from intermediate casing to total depth if operations permit.

A diagram of the planned BOP equipment for normal drilling operations in this area is attached. As denoted there will be two valves and one check valve on the kill line, two valves on the choke line, and two adjustable chokes on the manifold system. The BOP "stack" will consist of two BOP rams (1 pipe, 1 blind) and one annular type preventer, all rated to a minimum of 3,000 psi working pressure.

The BOP equipment will be pressure tested prior to drilling below the intermediate casing shoe. All test pressures will be maintained for fifteen (15) minutes without any significant pressure decrease. Clear water will be circulated into the BOP stack and lines prior to pressure testing. The following test pressures will be used as a minimum for various equipment items.

1.	Annular BOP	1,500 psi
2.	Ram type BOP	3,000 psi
3.	Kill line valves	3,000 psi
4.	Choke line valves and choke manifold valves	3,000 psi
5.	Chokes	3,000 psi
6.	Casing, casinghead & weld	1,500 psi
7.	Upper kelly cock and safety valve	3,000 psi
8.	Dart valve	3,000 psi

6. MUD SYSTEMS

- An air or an air/mist system may be used to drill to drill the surface hole until water influx becomes too great.
- KCL mud system will be used to drill well.

<u>Depths</u>	<u>Mud Weight (ppg)</u>	<u>Mud System</u>
0' - 2,160'	8.6	Air foam mist, no pressure control
2,160' - 4,710'	8.6	Air Mist, Fresh water, 2% KCL/KCL mud system
4,710' - 8,110'	8.6	Fresh water/2% KCL/KCL mud system
8,110' - 8,750'	8.6	Fresh water/2% KCL/KCL mud system

7. BLOOIE LINE

- An automatic igniter will not be installed on blooie line. The blooie will have a contant ignition source.
- A "target tee" connection will be installed on blooie line for 90° change of directions for abrasion resistance.
- "Target tee" connections will be a minimum of 50' from wellhead.
- The blooie line discharge will be a minimum of 100' from the wellhead.

8. AUXILIARY EQUIPMENT TO BE USED

- a. Kelly cock.
- b. Full opening valve with drill pipe connection will be kept on floor. Valve will be used when the kelly is not in string.

9. TESTING, LOGGING, AND CORING PROGRAMS TO BE FOLLOWED

- Resistivity/Sonic/GR/Caliper log from surface casing to TD.
- LDT/CNL/GR/Caliper detail log from base of 7" casing to TD.
- Possible MRIL from base of 9 5/8" casing to TD.

10. ANTICIPATED ABNORMAL PRESSURES OR TEMPERATURES EXPECTED

- Expected BHP 1,500-2,000 psi (lower than normal pressure gradient).
- No abnormal temperature or pressures are anticipated.
- The formations to be penetrated do not contain known H2S gas.

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DRILLING PLAN

APPROVAL OF OPERATIONS

11. WATER SUPPLY

- No water pipelines will be laid for this well.
- No water well will be drilled for this well.
- Drilling water for this will be hauled on the road(s) shown in Attachment No. 3.
- Water will be leased from Nielson Construction through a direct purchase agreement. A Sundry will be submitted with the appropriate water rights information in the future.

12. CEMENT SYSTEMS

- a. Surface Cement: Drill 17 1/2" hole to 2,160' and cement 13 3/8" casing to surface.

Type	Sacks	Interval	Density	Yield	Hole Volume	Cement Volume	Excess
Lead	1350	0'-1,860'	12.5 ppg	1.91 CF/SK	1,287 CF	2,573 CF	100%
Tail	390	1,860'-2,160'	15.8 ppg	1.17 CF/SK	227 CF	454 CF	100%

Lead Mix: Halliburton Lite Premium + 1% CaCl₂ + 1/4 pps Flocele

Tail Mix: Halliburton Premium Cement + 2% CaCl₂ + 1/4 pps Flocele

- b. Intermediate Casing I Cement: Drill 12 1/4" hole to 4,710' and cement 9 5/8" casing to surface.

Type	Sacks	Interval	Density	Yield	Hole Volume	Cement Volume	Excess
Lead	380	0'-4,000'	10.5 ppg	4.10 CF/SK	1,227 CF	1,534 CF	25%
Tail	190	4,000'-4,710'	14.2 ppg	1.62 CF/SK	237 CF	296 CF	25%

Lead Mix: Halliburton Premium - Type III

Tail Mix: Halliburton Premium Cement + 10% Cal-Seal 60 + 2% CaCl₂ + 1/4 pps Flocele

- c. Intermediate Casing II Cement: Drill 8 3/4" hole to 8,110' and cement 7" casing to 3000'.

Type	Sacks	Interval	Density	Yield	Hole Volume	Cement Volume	Excess
Lead	190	4,000'-6,000'	12.5 ppg	1.98 CF/SK	285 CF	371 CF	30%
Tail	270	6,000'-8,110'	14.2 ppg	1.61 CF/SK	325 CF	422 CF	30%

Lead Mix: Halliburton 50/50 Poz Premium + 8% gel + 10% Cal-Seal 60 + 1/4 pps Flocele

Tail Mix: Halliburton Premium Cement + 10% Cal-Seal 60 + 1% CaCl₂ + 1/4 pps Flocele

- d. Production Casing Cement: Drill 6 1/4" hole to 8,750' and cement 4 1/2" casing to 6,200'.

Type	Sacks	Interval	Density	Yield	Hole Volume	Cement Volume	Excess
Primary	80	7,700'-8,750'	13.0 ppg	1.74 CF/SK	112 CF	129 CF	15%

Primary Mix: Halliburton Lite Premium + 3% KCL + 1% Econolite + 0.6% Halad-322 + 1/4 pps Flocele

13. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS

Starting Date: July 1, 2006

Duration: 30 Days

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SURFACE USE PLAN

CONDITIONS OF APPROVAL

Attachment for Permit to Drill

Name of Operator: Dominion Exploration & Production
Address: 14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134
Well Location: Skyline Unit 8-7
2023' FNL & 154' FEL
Section 7-15S-6E
Emery County, UT

THIRTEEN POINT SURFACE USE PLAN

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

The onsite inspection for the referenced well was conducted on Wednesday, August 31, 2005 at approximately 2:30 pm. Weather conditions were hot and dry. In attendance at the onsite inspection were the following individuals:

Tom Lloyd	Project Lead / District Geologist	Forest Service
Michael Davis	NEPA coordinator	Forest Service
Dale Harbor	Geologist	Forest Service
Don Wilcox	Engineer	Forest Service
Terry Nelson	Biologist	Forest Service
Cathy Dodt-Ellis	District Archaeologist	Forest Service
Katherine Foster	Hydrologist	Forest Service
Michael McMican	Drilling Engineer	Dominion E & P, Inc.
Tim Jensen	Geologist	Dominion E & P, Inc.
Monty Dolph	Construction Foreman	Dominion E & P, Inc.
Allan McNally	Drilling Manager	Dominion E & P, Inc.
Ken Secrest	Production Foreman	Dominion E & P, Inc.
Jim Sweat	Construction Foreman	Dominion E & P, Inc.
John Floyd	Surveyor	Uintah Engineering
P. Justice	Surveyor Hand	Uintah Engineering
Arch Allred	Safety	Neilson Construction
Don Hamilton	Permitting Agent	Buys & Associates, Inc.

1. Existing Roads:

- a. The proposed well site is located approximately 24.7 miles northwest of Orangeville, UT.
- b. Directions to the proposed well site have been attached at the end of Exhibit B.
- c. The use of roads under State and County Road Department maintenance are necessary to

access the Skyline Unit. However, an encroachment permit is not anticipated since no upgrades to the State or County Road system are proposed at this time.

- d. The forest maintained Skyline Drive from SR-31 across Skyline Drive to the proposed new road would be utilized for 6.4 miles to access the proposed wellsite. A commercial road use permit for the road is pending submission at this time. Upgrades to this road are required to accommodate the increase in traffic with full-engineering being completed at this time.
- e. All existing roads will be maintained and kept in good repair during all phases of operation.
- f. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- g. Since only drainage and aggregate improvements are anticipated to the access roads no topsoil striping will occur.
- h. Move-in and Move-out of the drill rig will not be allowed during holiday weekends and will be restricted during the big game hunting seasons as specified by the Forest Service as conditions for approval of the Surface Use Plan of Operations.

2. Planned Access Roads:

- a. From the existing Skyline Drive Road an access is proposed trending southeast to the well site that will be new construction. The 0.7 miles of road from Skyline Drive to the well site will require extensive construction in which a road design plan is presently being developed for the Forest Service road upgrade to supplement this application.
- b. A maximum grade of 10% will be maintained throughout the project.
- c. Drainage structures will be incorporated into the pending road design plan and meet Forest Service specifications and approval prior to any construction.
- d. A gate or cattle guard will not be necessary since the area is presently open.
- e. A pre-construction meeting including the responsible company representative(s), contractors, and the Forest Service must be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road must be construction-staked prior to this meeting. Site specific requirements will be discussed at that time.
- f. Following the road construction stakes any timber that must be removed will be sawed, debarked and barked into 4' lengths. The barked lengths slash and several full length logs will be left at the edge of the disturbed area for future reclamation in a non-continuous upslope windrow. No merchantable or non-merchantable timber products will be removed from forest lands. The entire staked area will then be stripped of the entire A horizon topsoil with the topsoil being stockpiled inside of the timber windrow on the upslope side of the road. All topsoil must be stripped from areas to be disturbed and stockpiled for reclamation in such a way as to prevent soil loss and contamination.
- g. Surface disturbance and vehicular travel will be limited to the approved location access road. Any additional area needed must be approved by the Forest Service in advance.
- h. Unauthorized off-road vehicular travel is prohibited.

- i. The proposed access road will consist of a 24' travel surface within a disturbed area of varying width that will be outlined within the road design
- j. No turnouts are proposed since the access road is only 0.7 miles long and adequate site distance exists in all directions.
- k. No surfacing material will come from federal lands.
- l. Adequate signs will be posted along Forest Service Development Roads and as appropriate along the county road to warn the public of project related traffic.
- m. An off-lease federal Right-of-Way is required for the access road for the portion located outside of the pending Skyline Unit boundary (north of the township line).

3. Location of Existing Wells:

- a. No existing water, injection, disposal or producing wells exist within a one mile radius of the proposed well (See Exhibit "B").

4. Location of Production Facilities:

- a. The production facilities layout will be submitted to the Forest Service prior to installation if the well is proven productive. Production facilities may be subject to further analyses and approval by the Forest Service.
- b. All permanent structures (in place for six months or longer) constructed or installed (including pump jacks and separators) will be painted a flat, non-reflective olive black to match the standard environmental colors, as determined by the approving agency. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.
- c. Site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 will be adhered to.
- d. A gas meter run will be constructed and located on lease within 500 feet of the wellhead. Meter runs will be housed and/or fenced. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.
- e. A tank battery will be constructed on this location; it will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for natural gas production and measurement.
- f. Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.
- g. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe useable condition.

- h. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.
- i. A gas pipeline is associated with this application and is being applied for at this time. The proposed gas pipeline corridor will leave the southeast side of the well site and traverse 10,050' southeast to the existing Joes Valley Field pipeline network.
- j. Dominion requests permission to upgrade the existing pipeline network proposed for use to 8" to the point where it will tie-into Questar.
- k. The new gas pipeline will be an 8" or less steel surface line within a 40' wide utility corridor. The use of the proposed well site and existing access roads and trails will facilitate the staging of the pipeline construction. A new pipeline length of approximately 10,050' is associated with this well.
- l. Dominion intends on installing the pipeline on the surface by welding many joints into long lengths, dragging the long lengths into position and then completing a final welding pass to join the long lengths together. Dominion intends on connecting the pipeline together utilizing conventional welding technology.
- m. All gasoline and diesel-powered equipment will be equipped with effective spark arresters or mufflers. Spark arresters will meet Forest Service specifications discussed in the USDA Forest Service Spark Arrester Guide. In addition, all electrical equipment must be properly insulated to prevent sparks.

5. Location and Type of Water Supply:

- a. The location and type of water supply has been addressed as number 11 within the previous drilling plan information.

6. Source of Construction Material:

- a. Pad construction material will be obtained from Nielson Construction near Huntington, Utah.
- b. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.
- c. No construction materials will be removed from Forest Service lands
- d. Any gravel used will be obtained from a state approved gravel pit.

7. Methods of Handling Waste Disposal:

- a. All wastes associated with this application will be contained and disposed of utilizing approved facilities designed for the safe storage and disposal of the waste material.

- b. Drill cutting will be contained and buried on site if they are free of liquid and proved through laboratory analysis to be free of any toxins including barium-containing compounds. Should the cutting fail to meet this requirement as determined by the Forest Service they will be hauled off of Forest Service lands for placement in an approved solid waste disposal site.
- c. The reserve pit will be located outboard of the location and along the southwest side of the pad.
- d. The reserve pit will be constructed so as not to leak, break, or allow any discharge.
- e. The reserve pit will be lined with 12 mil minimum thickness synthetic liner material unless designated otherwise by the Forest Service officers prior to construction. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operation.
- f. The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.
- g. Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash container will be hauled off periodically to the approved Emery County Landfill near Orangeville, Utah. Burning of trash and debris is prohibited.
- h. After first production, produced wastewater will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the Authorized Officers approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.
- i. Any salts and/or chemicals, which are an integral part of the drilling system, will be disposed of in the same manner as the drilling fluid.
- j. Sanitary facilities are required on site at all times during operations. Sewage will be placed in a portable chemical toilet or holding tank and disposed of in accordance with state and county regulations. The installation of facilities, other than self-contained chemical toilets, is subject to State and Forest Service approval.
- k. The produced fluids (other than water) will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.

8. Ancillary Facilities:

- a. Garbage Containers and Portable Toilets are the only ancillary facilities proposed in this application.
- b. Off-location campsites on National Forest lands are not proposed with this application. A multi-unit, self-contained crew camp will be utilized for the drilling and completion

operations and will be entirely contained within the perimeter of the pad area.. The crew camp will be utilized consistent with this surface use plan and all wastes generated will be removed from Forest Service lands.

9. Well Site Layout :

- a. The well, whether drilling, producing, suspended, or abandoned, will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the northwest.
- c. The pad and road designs will be consistent with Forest Service specification as outlined in the Region 4 Oil and Gas Rooding Guidelines and the Manti-La Sal National Forest Oil and Gas Well Site Guidelines and are subject to Forest Service approval. No construction operations may begin prior to approval. Any modifications to approved plans are also subject to review and approval.
- d. The operator shall submit for approval, (within 90 days following completion of the well), a maintenance plan for the site, the project road and that portion of any Forest Development Road to be used for project access. A road use permit must be obtained from the Forest Service authorizing commercial use of Forest Service Development Roads. Requirements listed in the road-use permit must be followed.
- e. A pre-construction meeting including the responsible company representative(s), contractors, and the Forest Service must be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road must be construction-staked prior to this meeting. Site specific requirements will be discussed at that time.
- f. The pad has been staked at its maximum size of 270' X 355', however it will be constructed smaller if possible, depending upon rig availability. Should the layout change this application will be amended and approved utilizing a sundry notice.
- g. Sediment control will be maintained throughout the life of the project. Silt fences reinforced with steel mesh will be installed and maintained along all fill slopes and as necessary and practical during the construction and drilling of the associated well. Straw bales may also be used as necessary and practical and must be certified weed-free by the State of Utah. Should disturbance induced erosion begin in any area of the project it should be minimized as soon as practical utilizing approved sediment control structures. The Forest Service should be consulted immediately if questions or concerns arise as a result of erosion control.
- h. Ditching around the location is not proposed at this time since the location of the well is such that it should not impound or re-divert surface waters. Ditching around the location will increase the potential for off-site erosion. Off-site surface waters should be allowed to run off of the slope as they presently do but under close monitoring to insure that erosion does not occur. Pad slopes and berms should be armored if erosion is anticipated or occurs as a result of disturbance.
- i. The project engineer and surveyors must be certified by the State in which they reside or maintain their business.
- j. All surface disturbing activities, including reclamation, will be supervised by a qualified,

responsible official or company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.

- k. Prior to any drilling operations, the working surface of the drill site will be surfaced with aggregate material (gravel) to a depth of 8" to support anticipated loads throughout the life of the well.
- l. All cut and fill slopes will be such that stability can be maintained for the life of the activity.
- m. All fills will be free from vegetative materials and will be compacted in lifts no greater than 12 inches in thickness to a minimum of 90 percent Proctor dry density sufficient to prevent excessive settling.
- n. Diversion ditches will only be constructed if necessary and practical around the well site to prevent surface waters from entering the well site area. Energy dissipating structures will be utilized to prevent excessive erosion at the outflow and trap any sediment produced from the raw slopes and prevent excessive erosion.
- o. An 18" berm will be constructed around the perimeter of the site to contain all precipitation, spills, and other fluids from leaving the site. The berm will be 18 inches high, 12 inches wide at the top, and having a 1-1/2:1 side slopes. The site surface will be graded to drain to the pit. The drainage pattern to be constructed can be modified for the site depending on site-specific conditions.
- p. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a windrow on the uphill side of the location to prevent any possible contamination. All topsoil must be stripped from areas to be disturbed and stockpiled for reclamation in such a way as to prevent soil loss and contamination.
- q. Pits will remain fenced until site cleanup.
- r. The blooie line will be located: At least 100 feet from the well head.
- s. To minimize the amount of fugitive dust and spray escaping from the blooie pit water injection will be implemented

10. Plans for Restoration of the Surface:

DRY HOLE

- a. Rehabilitation of the entire site will be required and will commence immediately after the drilling is complete. The site will be restored as nearly practical to its original condition. Cut and fill slopes will be reduced and graded to conform to the adjacent terrain.
- b. Fluids in the reserve pit will be pumped off and hauled to an approved disposal source, or re-used at another drill site. The operator will attempt to reclaim the reserve pit prior to winter, or the following summer.
- c. Drainages will be reestablished and temporary measures will be required to prevent erosion to the site until vegetation is established.
- d. The abandonment marker will be one of the following, as specified by BLM and Forest Service:

- 1) at least four feet above ground level,
- 2) at restored ground level, or
- 3) below ground level.

In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footage).

- e. After final grading and before the replacement of topsoil, the entire surface of the site shall be scarified to eliminate slippage surfaces and to promote root penetration. Topsoil will then be spread over the site to achieve an approximate uniform, stable thickness consistent with the established contours.
- f. A temporary fence (let down fence) will be constructed around the drill site to prevent continued use until the required reclamation standards are successfully achieved. The fence will then be removed.
- g. In general, the disturbed areas will be considered adequately re-vegetated when at least 90 percent of the original ground cover is re-established over 90 percent of the seeded area, within three years of planting, consisting of seeded and desirable species. Maximum allowable non-noxious weeds is 10 percent of the total ground cover at any time. No noxious weeds will be allowed on the site; they must be treated as they occur. The operator is responsible for maintenance of reclamation facilities such as fences, barricades and temporary drainage structures until the desired reclaimed conditions are achieved. If the desired ground cover is not established at the end of each 3 year period, an analysis of why the areas has not recovered will be performed by the operator and additional treatment and seeding will be required based on the results of the analysis.
- h. Straw, hay, feed, or pellets used on the National Forests of Utah must be certified weed-free by the State of Utah.
- i. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment.
- j. The well pad and access road will be reclaimed as per Forest Service. The operator will be informed of Forest Service requirements within 2 weeks following completion of the well to determine if the Forest Service can utilize the access road and/or well pad for recreational purposes. If the Forest Service agrees to take over the access and/or well pad, they also agree to take full responsibility for continued use and maintenance of the area and all liability associated with the same.

PRODUCING WELL

- a. Site reclamation for producing wells will be accomplished for portions of the site not required for the continued operation of the well. All disturbed surface will be treated to prevent erosion and to complement the esthetics of the area. A new site plan will be required encompassing the facilities required for operation and interim reclamation measures.
- b. Before any dirt work to restore the location takes place, the reserve pit must be completely dry. Once the reserve pit is dry, the reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. Methods for drying the pit, other than natural evaporation, are subject to prior Forest Service approval.
- c. Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.

- d. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.
- e. The plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit.
- f. At the end of drilling operations, drilling fluids will be hauled to an approved disposal site. All polluting substances or contaminated materials, such as oil, oil-saturated soils, and gravel, will be removed from the Forest.
- g. The cut and fill slopes and all other disturbed areas not needed for the production operation will be top soiled and re-vegetated. The berm will be removed and the drill site graded to drain.
- h. The stockpiled topsoil will be evenly distributed over the disturbed area.
- i. Prior to reseeded, all disturbed areas, including the access roads, will be scarified and left with a rough surface.
- j. The site will be seeded and/or planted as prescribed by the Forest Service. Nutrients and soil amendments will be applied to the redistributed surface soil later as necessary to meet the revegetation requirements. The Forest Service will assign the seed mix. Seed will be broadcast or drilled between Sept. and Nov., or at a time specified by the Forest Service. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

11. Surface and Mineral Ownership:

- a. Surface Ownership is USDA Forest Service under the management of the Manti-La Sal National Forest 599 Price River Drive, Price, Utah 84501 435-637-2817.
- b. Mineral Ownership is Bureau of Land Management – 82 East Dogwood Avenue, Moab, Utah 84532 435-259-2106.

12. Other Information:

- a. AIA Archaeological has conducted a Class III archeological survey. A copy of the report has been submitted under separate cover to the appropriate agencies by AIA Archaeological.
- b. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:
 - 1. Whether the materials appear eligible for the National Register of Historic Places;
 - 2. the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
 - 3. a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

- c. A Threatened and Endangered flora and fauna survey will be conducted by Buys & Associates, Inc. in the spring. A copy of this report will be submitted to the appropriate agencies by Buys & Associates, Inc..
- d. Wildlife Seasonal Restrictions will be stipulated by the Forest Service biologist and the existing Forest EIS document.
- e. No off location Geophysical Testing will be completed as part of this project.
- f. One drainage crossings that requires additional State or Federal approval is being crossed. Approval to alter the drainage will be in place prior to any surface disturbing activities
- g. Fire suppression equipment must be available to all personnel on the project site. Equipment will include a minimum of one hand tool per crew member consisting of shovels, pulaskis, and chainsaws and one properly rated fire extinguisher per vehicle an/ or internal combustion engine.
- h. The operator will be held responsible for damage and suppression costs for fires started as a result of operations. Fires must be reported to the Forest Service as soon as possible.
- i. All accidents or mishaps resulting in resource damage and/or serious personal injury must be reported to the Forest Service as soon as possible.
- j. Harassment of wildlife and livestock is prohibited.
- k. All merchantable timber removed or destroyed by construction or other project related activities will be purchased by the operator at fair market value. The Forest Service will conduct a timber cruise and appraisal after the final clearing limits have been staked. Slash burning will be conducted only at locations approved by the Forest Service under authorization or a burning permit.
- l. An off-unit federal right-of-way must be in place prior to any access construction disturbance that crosses out of the proposed Skyline Unit into T14S, R5E.

13. Operator's Representative and Certification

Title	Name	Office Phone
Company Representative (Roosevelt)	Ken Secrest	1-435-722-4521
Company Representative (Oklahoma)	Carla Christian	1-405-749-5263
Agent for Dominion	Don Hamilton	1-435-719-2018

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Dominion Exploration & Production, Inc. and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under Dominion's State bond. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Signature: _____

Don Hamilton

Date: _____

10-17-05

DOMINION EXPLR. & PROD., INC.
SKYLINE UNIT #8-7
SECTION 7, T15S, R6E, S.L.B.&M.

PROCEED IN A NORTHWESTERLY, THEN SOUTHWESTERLY DIRECTION FROM HUNTINGTON, UTAH ALONG U.S. HIGHWAY 31 APPROXIMATELY 35.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 6.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.7 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM HUNTINGTON, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 42.3 MILES.

LOCATION LAYOUT FOR

2023' FNL 154' FEL

*Proposed Access
Road*

F-14.3'
El. 78.7'

C-4.7'
El. 87.7'

CONSTRUCT
- DIVERSION
DITCH

Sta. 3+55

C-2.8'
El. 85.8'

*Round Corners
as Needed*

Existing
Drainage

Approx.
Top of
Cut Slope

*Reserve Pit Backfill
& Spoils Stockpile*

FLARE PIT

El. 85.6'
C-2.6'

PIPE RACKS

18" High x 3'4" Wide
Adequate Compaction

C-1.5'
El. 84.5'

El. 84.7'
C-1.7'

ĐỒG HOUSE

Sta. 1+80

F-3.4'
El. 79.6'

*Existing
- Drainage*

TOILET ☐

Approx.
Toe of
Fill Slope

STORAGE
TANK

Sta. 0+00

C-4.8'
El. 87.8'

$F-0.7'$
 $Fl. 82.3'$

Elev. Ungraded Ground at Location Stake = 10584.8'
Elev. Graded Ground at Location Stake = 10583.0'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

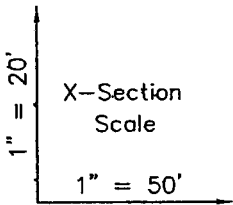
DOMINION EXPLR. & PROD., INC.

TYPICAL CROSS SECTIONS FOR

SKYLINE UNIT #8-7

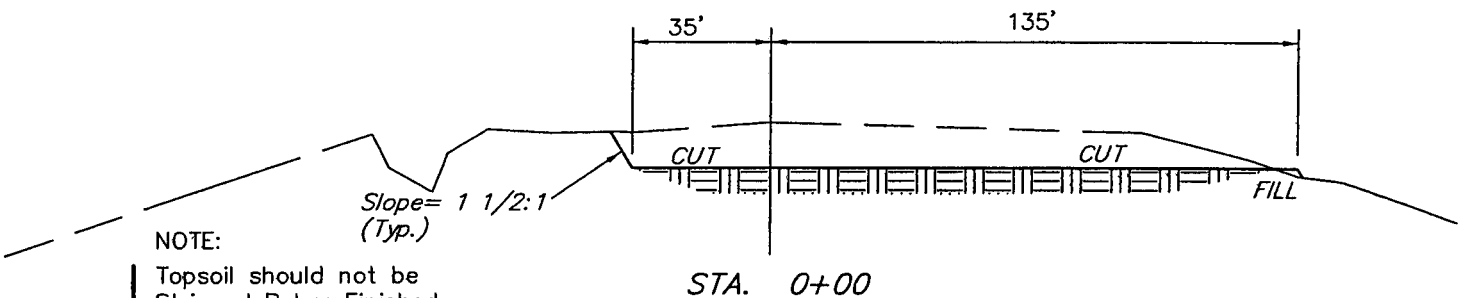
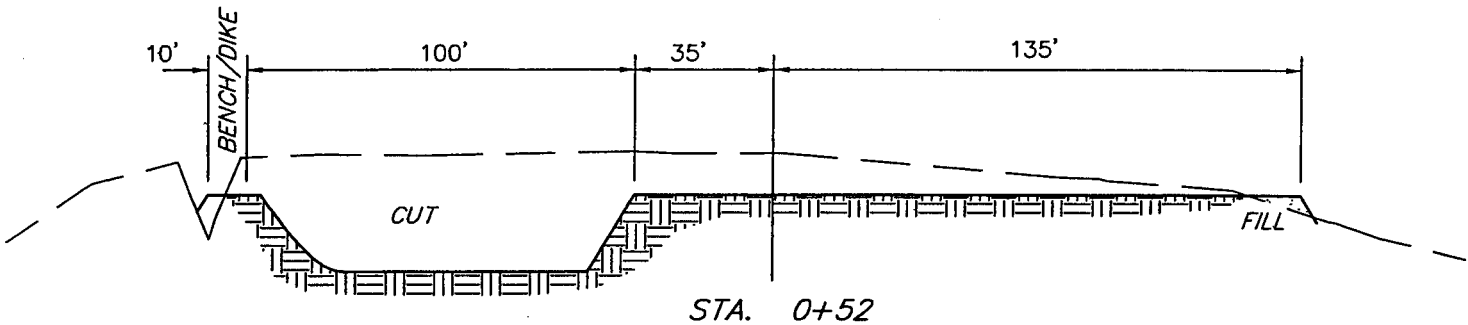
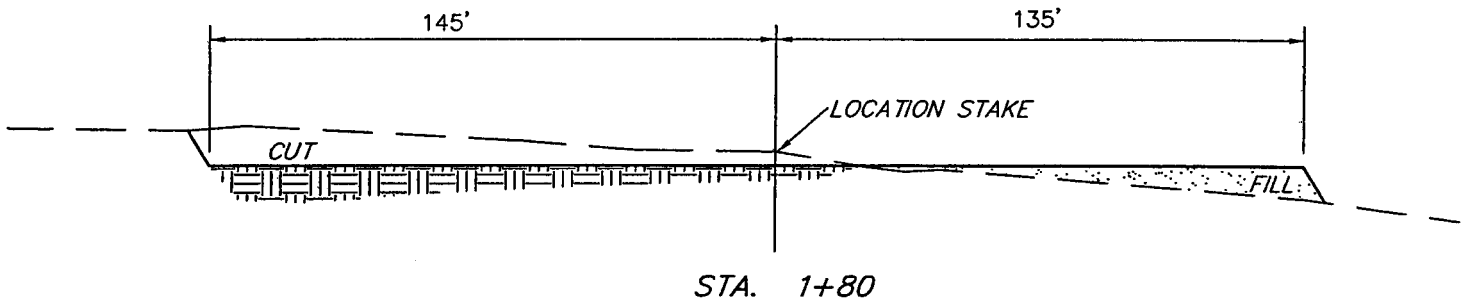
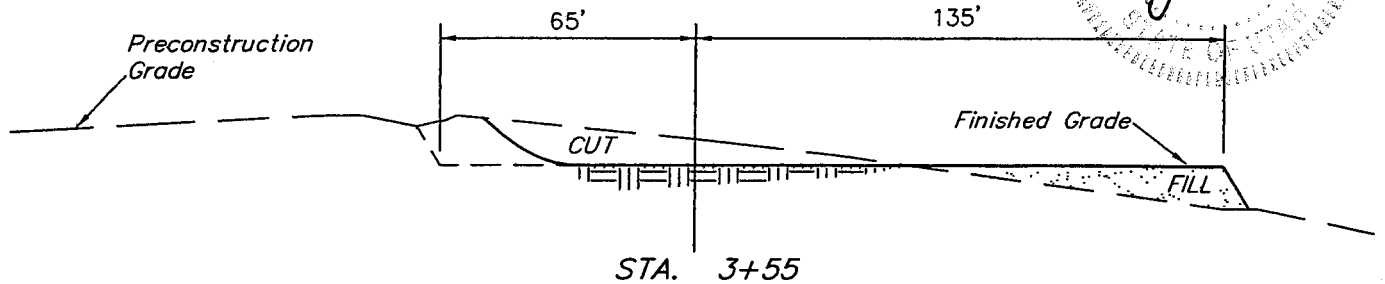
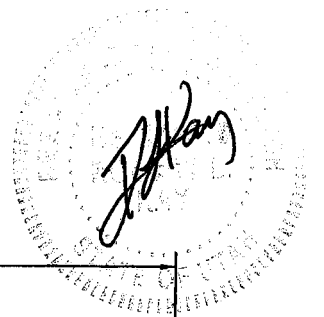
SECTION 7, T15S, R6E, S.L.B.&M.

2023' FNL 154' FEL



DATE: 09-25-05

Drawn By: D.R.B.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

* NOTE:

FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT

{6"} Topsoil Stripping = 1,720 Cu. Yds.

Remaining Location = 8,480 Cu. Yds.

TOTAL CUT = 10,200 CU.YDS.

FILL = 1,860 CU.YDS.

EXCESS MATERIAL = 8,340 Cu. Yds.

Topsoil & Pit Backfill = 3,280 Cu. Yds.
(1/2 Pit Vol.)

EXCESS UNBALANCE = 5,060 Cu. Yds.
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

DOMINION EXPLR. & PROD., INC.

SKYLINE UNIT #8-7
LOCATED IN SANPETE COUNTY, UTAH
SECTION 7, T15S, R6E, S.L.B.&M.

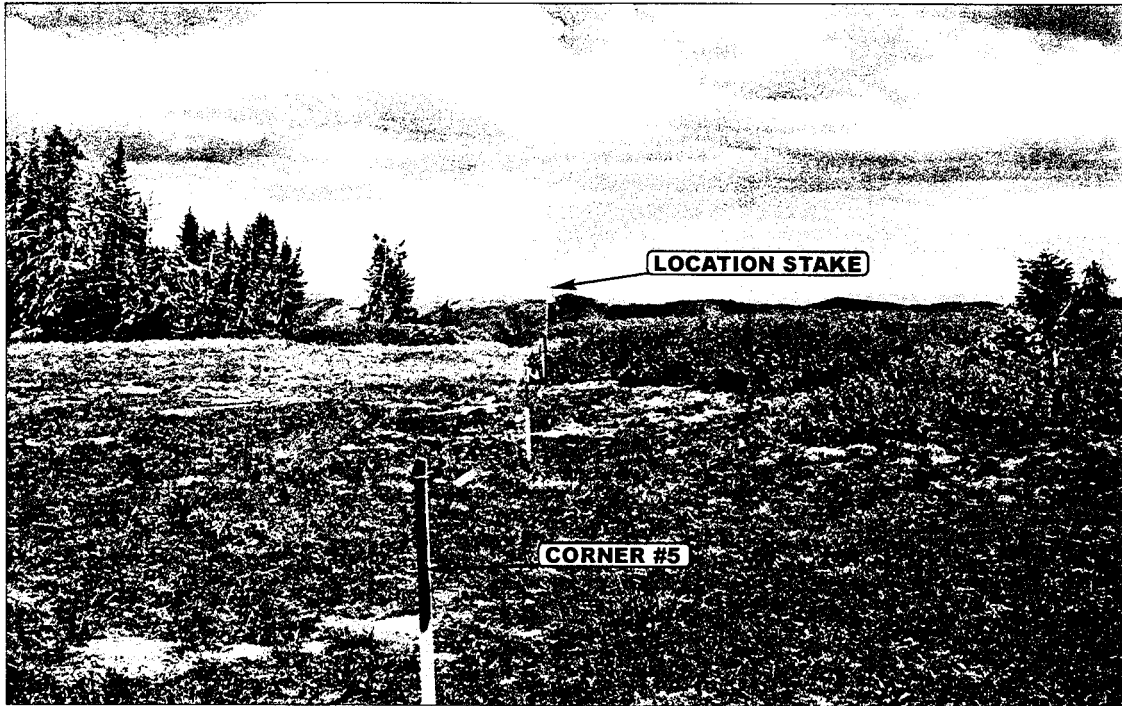


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

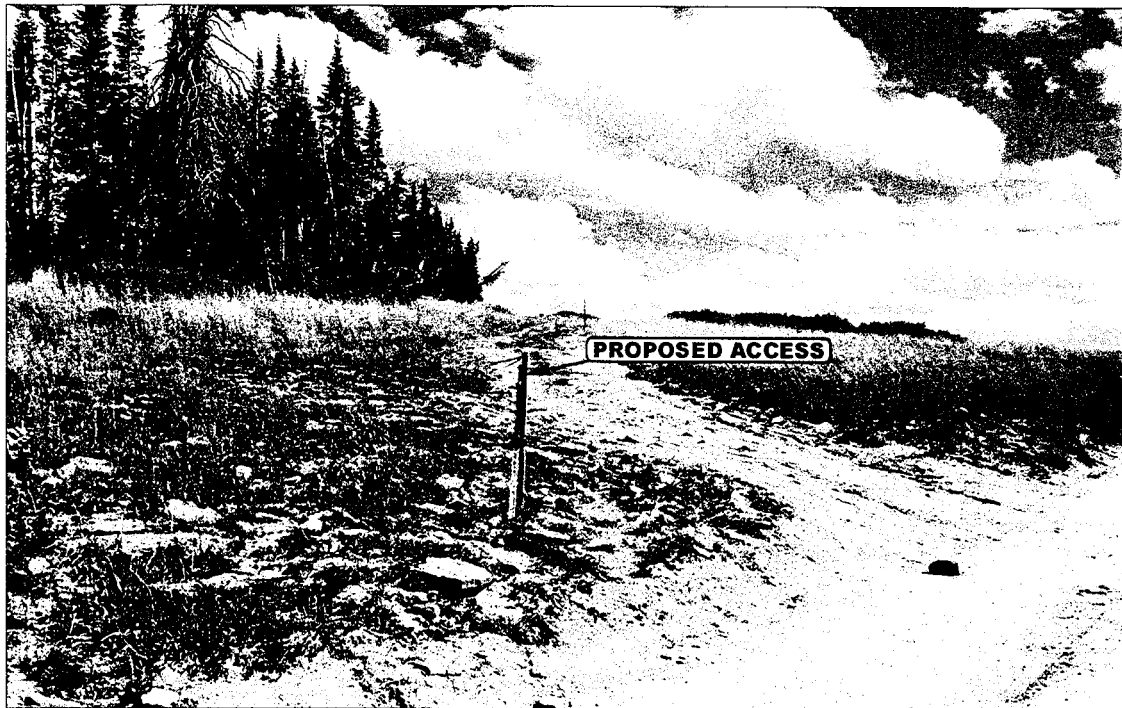


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



- Since 1964 -

E&L
S

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

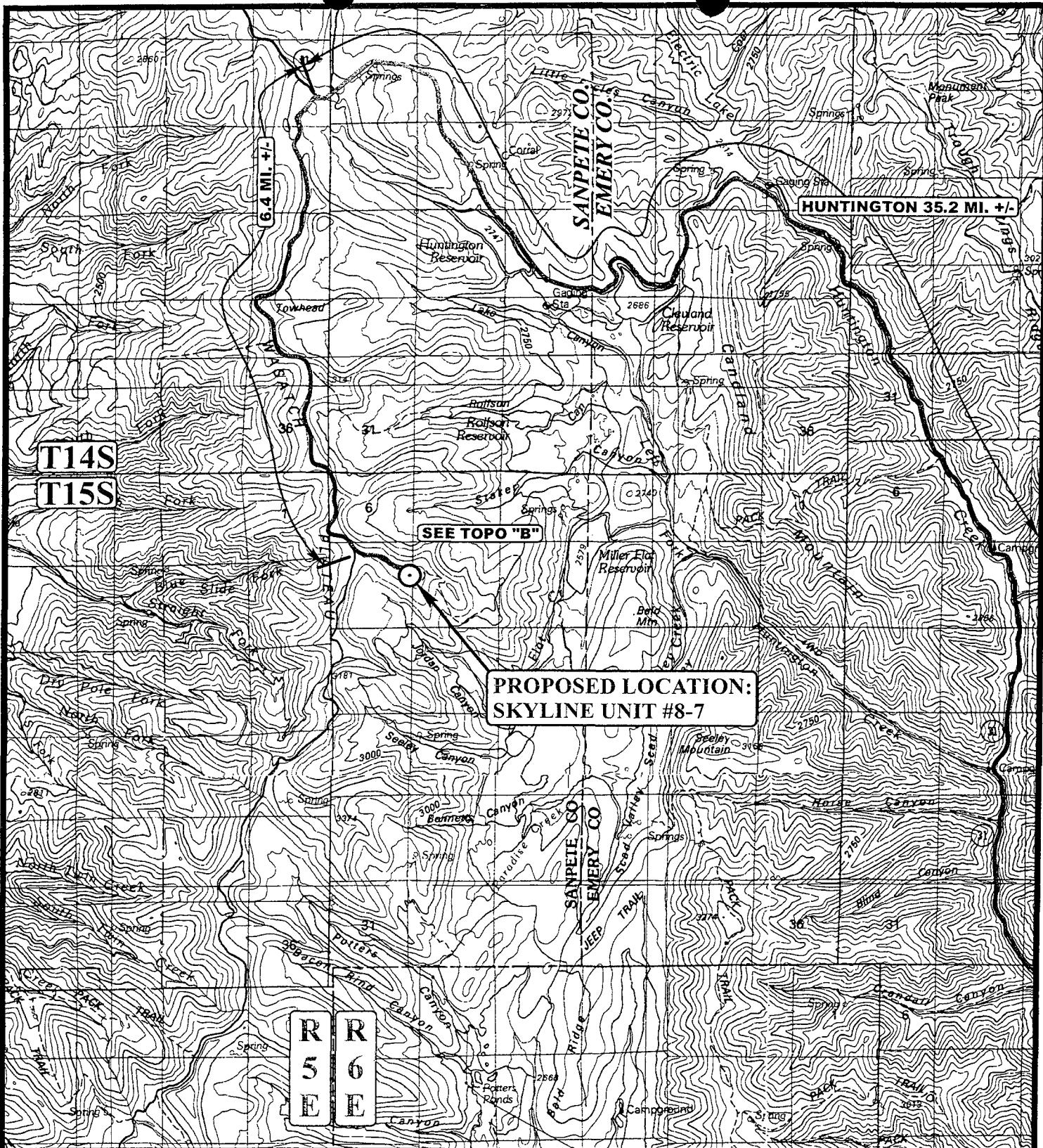
08 26 05
MONTH DAY YEAR

PHOTO

TAKEN BY: J.F.

DRAWN BY: C.P.

REVISED: 09-19-05



LEGEND:

○ PROPOSED LOCATION

DOMINION EXPLR. & PROD., INC.

SKYLINE UNIT #8-7

SECTION 7, T15S, R6E, S.L.B.&M.

2023' FNL 154' FEL



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC
MAP

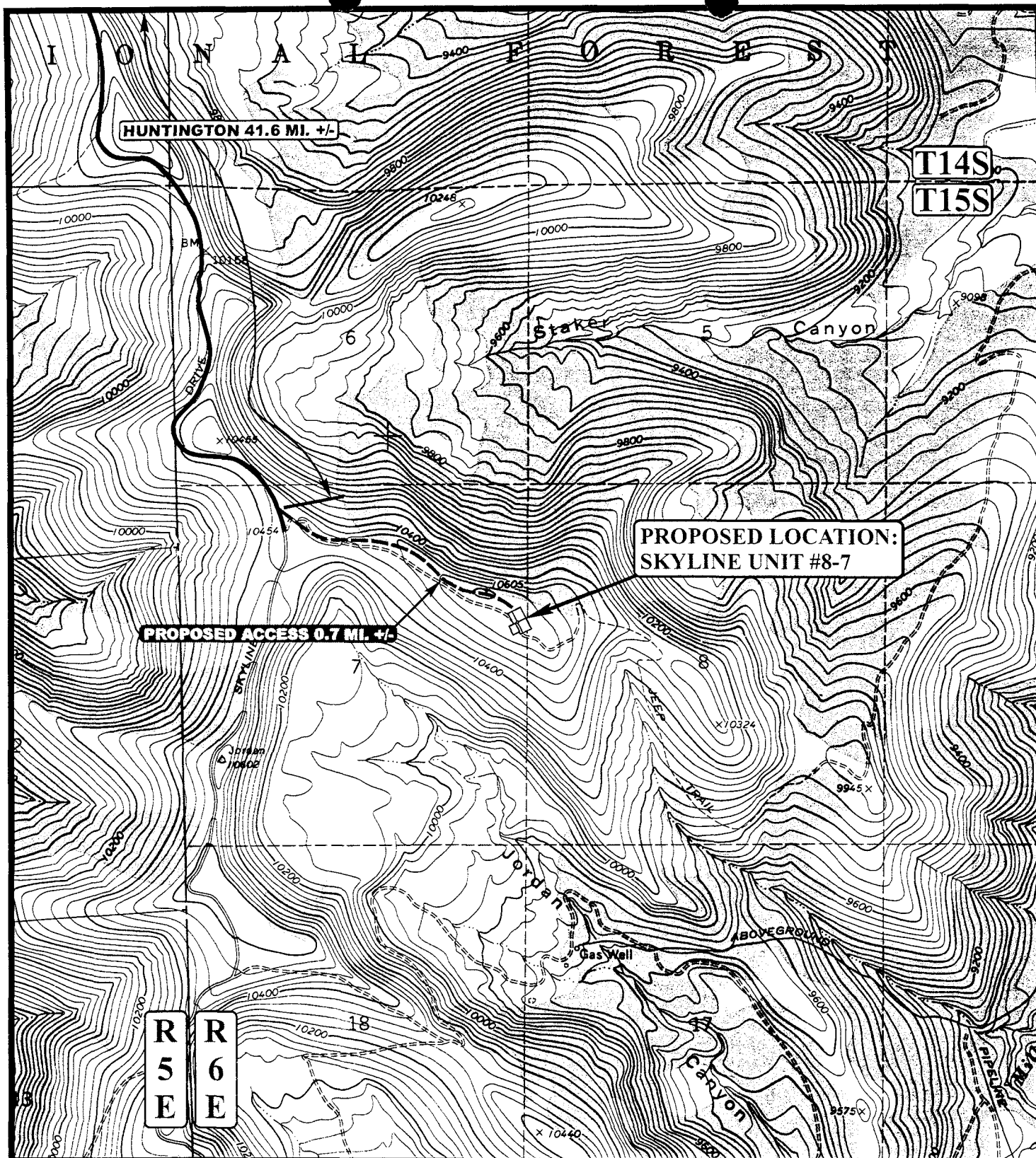
08 26 05
MONTH DAY YEAR

SCALE: 1:100,000


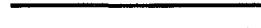
DRAWN BY: C.P.

REVISED: 09-19-05





LEGEND:

 EXISTING ROAD
 PROPOSED ACCESS ROAD

DOMINION EXPLR. & PROD., INC.

SKYLINE UNIT #8-7
SECTION 7, T15S, R6E, S.L.B.&M.
2023' FNL 154' FEL



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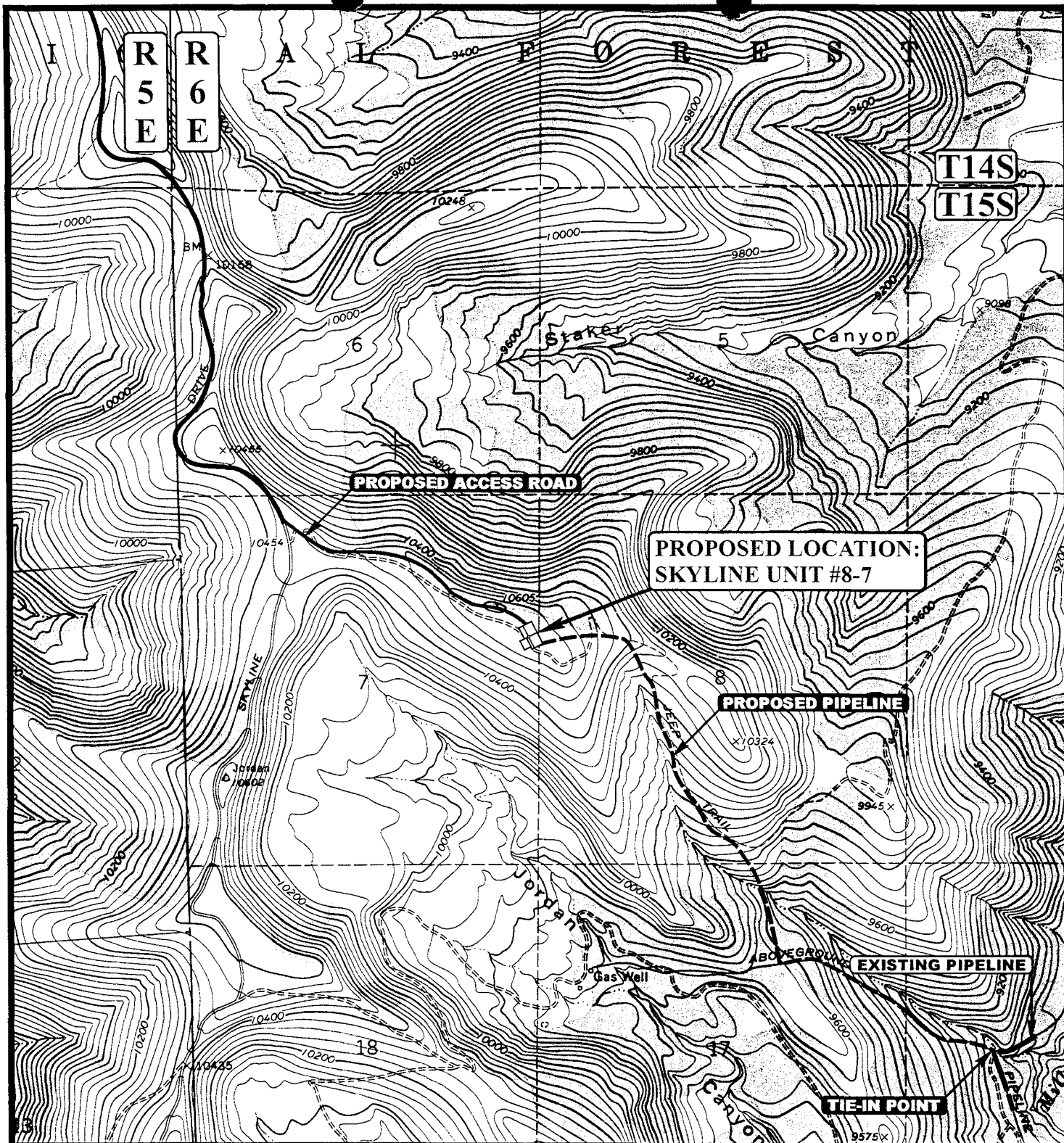


TOPOGRAPHIC
MAP

08 **26** **05**
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 09-19-05

B
TOPO



APPROXIMATE TOTAL PIPELINE DISTANCE = 10,050' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



DOMINION EXPLR. & PROD., INC.

SKYLINE UNIT #8-7

SECTION 7, T15S, R6E, S.L.B.&M.

2023' FNL 154' FEL



Uintah Engineering & Land Surveying
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(435) 789-1017 * FAX (435) 789-1813

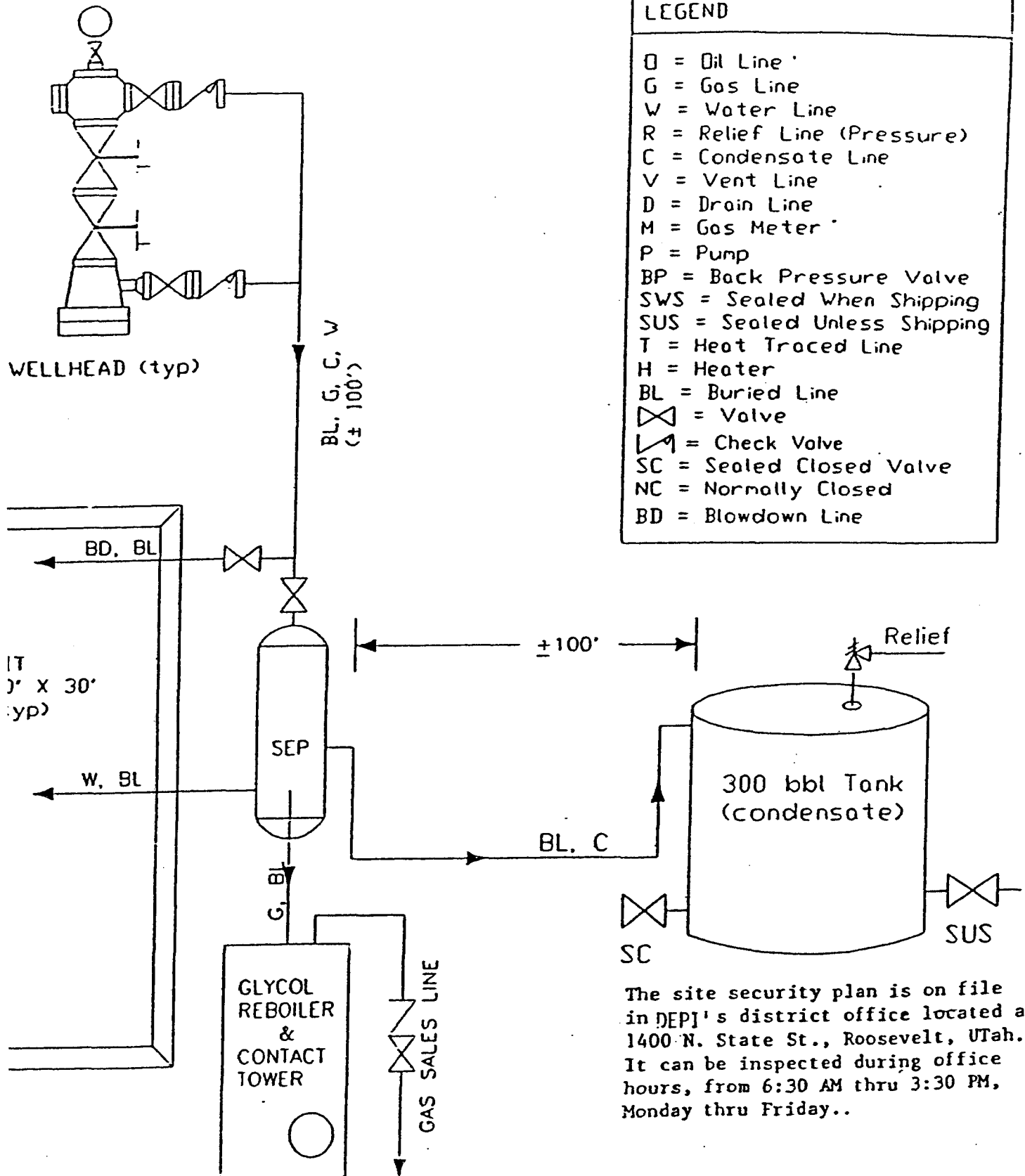
TOPOGRAPHIC
MAP

08 26 05
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 09-19-05



CONFIDENTIAL



The site security plan is on file in DEPI's district office located at 1400 N. State St., Roosevelt, Utah. It can be inspected during office hours, from 6:30 AM thru 3:30 PM, Monday thru Friday..

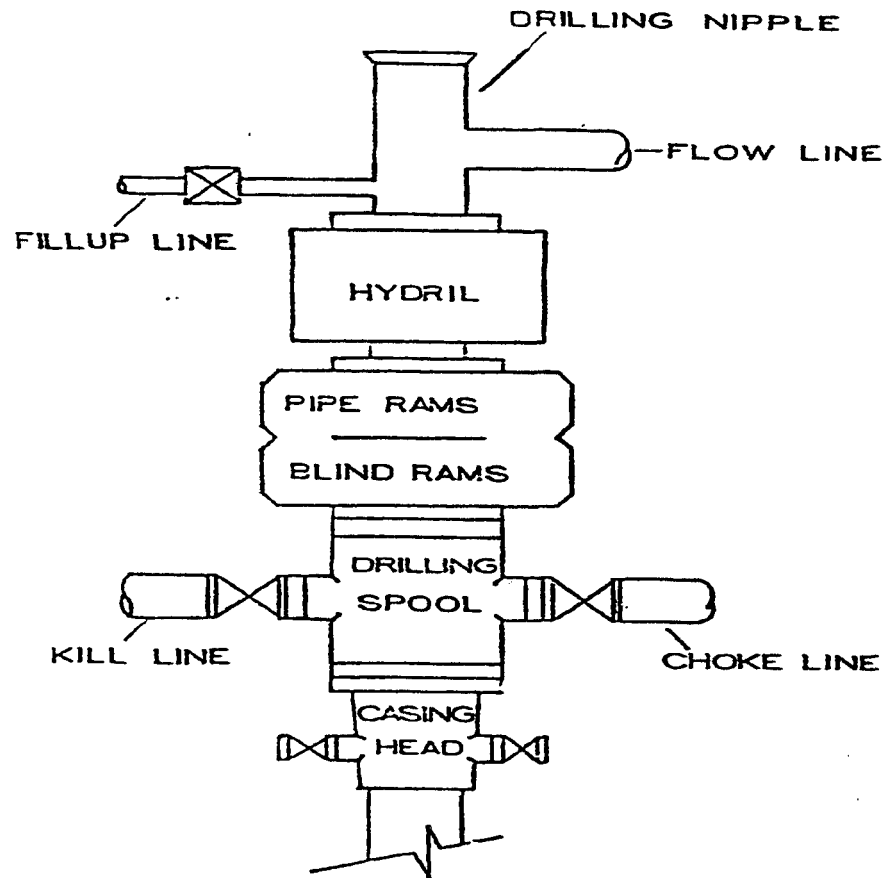
DOMINION EXPLORATION & PRODUCTION, INC.

TYPICAL FLOW DIAGRAM

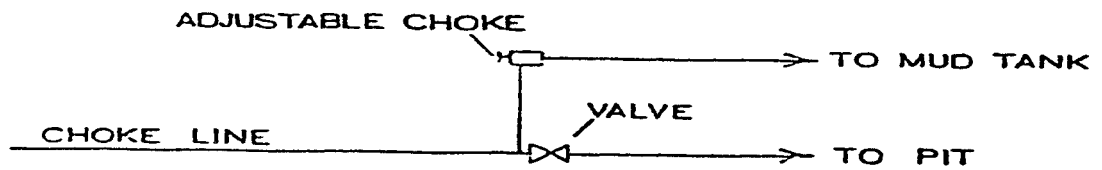
not to scale

date: / /

BOP STACK



CHOKE MANIFOLD



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/20/2005

API NO. ASSIGNED: 43-039-30029

WELL NAME: SKYLINE U 8-7

OPERATOR: DOMINION EXPL & PROD (N1095)

CONTACT: DON HAMILTON

PHONE NUMBER: 435-650-1886

PROPOSED LOCATION:

SENE 07 150S 060E

SURFACE: 2023 FNL 0154 FEL

BOTTOM: 2023 FNL 0154 FEL

SANPETE

WILDCAT (1)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-78415

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: TNUNK

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.53391

LONGITUDE: -111.2849

RECEIVED AND/OR REVIEWED:

- ☒ Plat
- ☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 76S630500330)
- ☒ Potash (Y/N)
- ☒ Oil Shale 190-5 (B) or 190-3 or 190-13
- ☒ Water Permit
(No. T30916)
- ☒ RDCC Review (Y/N)
(Date:)
- ☒ Fee Surf Agreement (Y/N)
- ☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

- ☐ R649-2-3.
- Unit
- ☐ R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- ☒ R649-3-3. Exception
- ☐ Drilling Unit
- Board Cause No:
- Eff Date:
- Siting:
- ☐ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Federal Approval
2- Spacing Strip

T14S R5E

T14S R5E

T14S R6E

T15S R6E

6

5

1

12

13

SKYLINE U 8-7

JOES VALLEY U 1
JOES VALLEY
UNIT F-X

18

COLLEEN K.
STEINER 1

17

OPERATOR: DOMION EXPL & PROD (N1095)

SEC: 7 T. 15S R. 6E

FIELD: WILDC AT (001)

COUNTY: SANPETE

SPACING: R649-3-3 / EXCEPTION LOCATION

Field Status

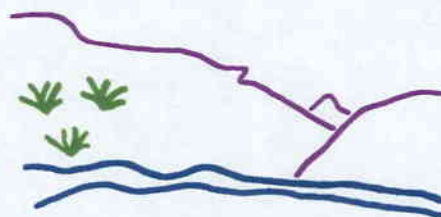
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 24-OCTOBER-2005



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 13, 2006

Dominion Exploration & Production, Inc.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134

Re: Skyline Unit 8-7 Well, 2023' FNL, 154' FEL, SE NE, Sec. 7, T. 15 South,
R. 6 East, Sanpete County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-039-30029.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Sanpete County Assessor
Bureau of Land Management, Moab District Office

Operator: Dominion Exploration & Production, Inc.
Well Name & Number Skyline Unit 8-7
API Number: 43-039-30029
Lease: UTU-78415

Location: SE NE Sec. 7 T. 15 South R. 6 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **Dominion Exploration & Production, Inc.**

3a. Address
14000 Quail Spgs Pkwy, Suite 600, Oklahoma City, OK

3b. Phone No. (include area code)
405-749-5263

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2,023' FNL & 154' FEL, SE/4 NE/4, Section 7, T15S, R6E, SLB&M

5. Lease Serial No.
UTU-78145

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA/Agreement, Name and/or No.
Skyline Unit

8. Well Name and No.
Skyline Unit 8-7

9. API Well No.
43-039-30029

10. Field and Pool, or Exploratory Area
undesignated

11. County or Parish, State
Sanpete County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other 69' relocation
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Dominion Exploration & Production, Inc. requests permission to relocate the surface and bottomhole location for the referenced well 69' northeast, prior to approval of the previously submitted APD. The new location reduces surface disturbance to the existing contour furrows comprising a greater watershed project in the area. Following is the updated location information for the Skyline Unit 8-7: **39.534093**

Surface & Target Location: **1,955' FNL & 141' FEL, SE/4 NE/4, Section 7, T15S, R6E, SLB&M**

Attached please find an updated Form 3 and plat package to replace those previously submitted within the APD package.

A request for exception to spacing (R649-3-2) is hereby requested based on topography since the well is located within 460' of the drilling unit boundary. Dominion Exploration & Production, Inc. is the only owner and operator within 460' of the proposed well and all points along the intended well bore path.

COPY SENT TO OPERATOR
Date: **10-4-06**
Initials: **CHS**

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Don Hamilton

Title **Agent for Dominion Exploration & Production, Inc.**

Signature **Don Hamilton**

Date **Sept 11, 2006**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations or to any person within its jurisdiction.

(Instructions on page 2)

Approved by the
**Utah Division of
Oil, Gas and Mining**

RECEIVED
SEP 15 2006

FILE COPY

Date: **09-21-06**

By: **[Signature]**

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-78415
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator Dominion Exploration & Production, Inc.		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 14000 Quail Springs Parkway, Suite 600 Oklahoma City, OK 73134	3b. Phone No. (include area code) 405-749-5263	8. Lease Name and Well No. Skyline Unit 8-7
4. Location of Well (Report location clearly and in accordance with any State requirements*) At surface 1,955' FNL & 141' FEL, SE/4 NE/4, At proposed prod. zone 1,955' FNL & 141' FEL, SE/4 NE/4,		9. API Well No.
14. Distance in miles and direction from nearest town or post office* 24.7 miles northwest of Orangeville, Utah		10. Field and Pool, or Exploratory undesignated
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 141'		11. Sec., T. R. M. or Blk. and Survey or Area Section 7, T15S, R6E, SLB&M
16. No. of acres in lease		12. County or Parish Saupete
17. Spacing Unit dedicated to this well 40 acres		13. State UT
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 5,000'		20. BLM/BIA Bond No. on file 76S 63050 0330
19. Proposed Depth 8,750'		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 10,583' GL
22. Approximate date work will start* 10/01/2006		23. Estimated duration 30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature <i>Don Hamilton</i>	Name (Printed/Typed) Don Hamilton	Date 09/11/2006
Title Agent for Dominion		
Approved by (Signature)	Name (Printed/Typed)	Date
Title		Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

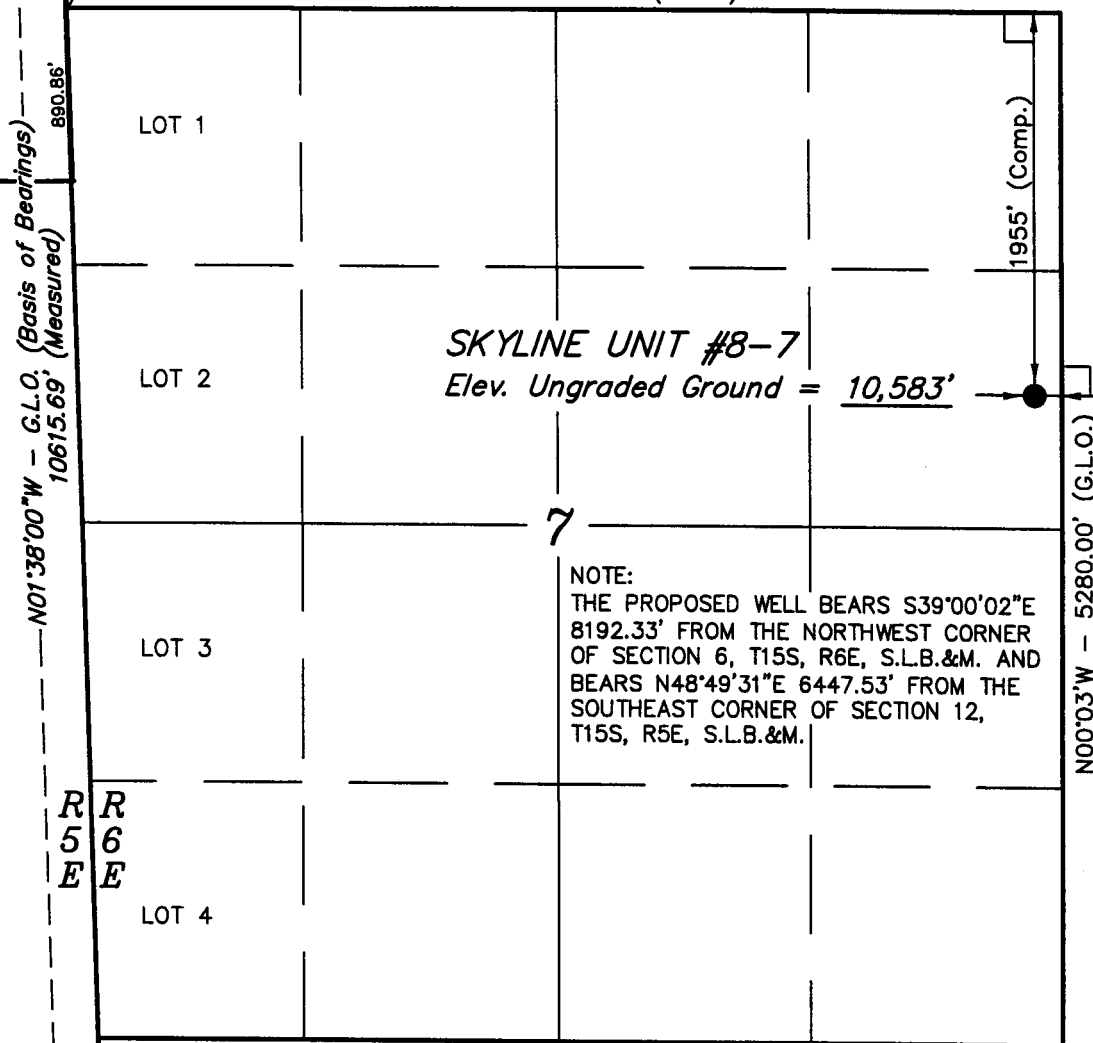
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

NW Cor Sec 6
1934 Brass Cap
1.2' High, Pile
of Stones

T15S, R6E, S.L.B.&M.

WEST - 5156.58' (G.L.O.)



DOMINION EXPLR. & PROD., INC.

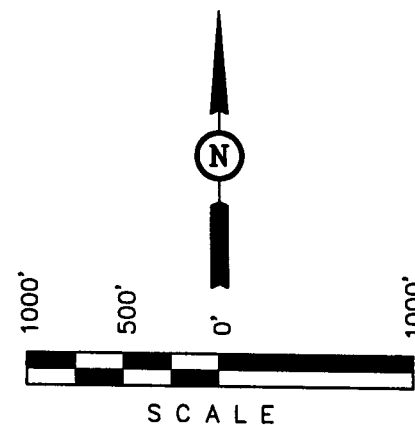
Well location, SKYLINE UNIT #8-7, located as shown in the SE 1/4 NE 1/4 of Section 7, T15S, R6E, S.L.B.&M. Sanpete County Utah.

BASIS OF ELEVATION

JORDAN TRIANGULATION STATION, LOCATED IN THE SW 1/4 SECTION 7, T15S, R6E, S.L.B.&M. TAKEN FROM THE HUNTINGTON RESERVOIR QUADRANGLE, UTAH, SANPETE COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 10602 FEET.

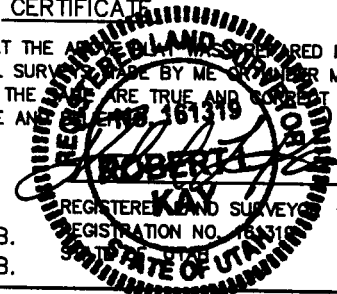
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



Revised: 09-05-06 D.R.B.

Revised: 09-25-05 D.R.B.

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 08-15-05	DATE DRAWN: 08-29-05
PARTY B.B. J.R. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE DOMINION EXPLR. & PROD., INC	

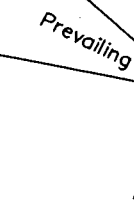
DOMINION EXPLR. & PROD., INC.

LOCATION LAYOUT FOR

SKYLINE UNIT #8-7
SECTION 7, T15S, R6E, S.L.B.&M.
1955' FNL 141' FEL

NOTE:

12" OF GRAVEL IS TO BE PLACED ON WELL PAD LOCATION. ALSO, CONSTRUCT A 30'x30' LEVEL PAD FOR SUBSTRUCTURE AREA.



CONSTRUCT DIVERSION DITCH

SCALE: 1" = 50'
DATE: 09-25-05

Drawn By: D.R.B.

Rev: 06-28-06 D.R.B.

Rev: 09-05-06 D.R.B.

C-6.0'
El. 87.1'

Proposed Access Road

Topsoil Stockpile

F-9.2'
El. 73.9'

CONSTRUCT DIVERSION DITCH

Sta. 3+55

C-1.8'
El. 83.5'

Round Corners as Needed

2.5' High w/ 1-1/2:1 Slope
Adequate Compaction
(Prior to Gravel Cap)

1% Slope

Existing Drainage

Approx. Top of Cut Slope

CONSTRUCT DITCH w/ 1% SLOPE

175'

PIPE RACKS

PIPE RACKS

El. 83.8'
C-2.4'

C-1.1'
El. 82.8'

DOG HOUSE

135' Sta. 1+80

1% Slope

F-4.7'
El. 78.4'

El. 85.7'
C-12.3'
(btm. pit)

FLARE PIT
El. 84.1'
C-3.0'

Total Pit Capacity
W/2' of Freeboard
= 10,750 Bbls. ±
Total Pit Volume
= 3,120 Cu. Yds.

Sta. 1+10

RESERVE PITS
(8' Deep)

Sta. 0+52

20' WIDE BENCH/DIKE

El. 87.8'
C-14.4'
(btm. pit)

C-5.5'
El. 86.9'

Sta. 0+00

Existing Drainage

CONSTRUCT DIVERSION DITCH

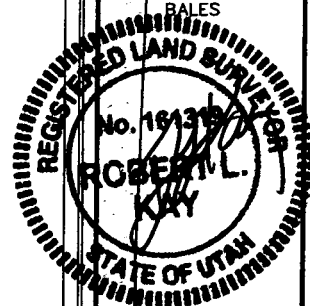
C-5.7'
El. 87.1'

C-4.9'
El. 86.6' Topsoil Stockpile

F-8.2'
El. 74.9'

Elev. Ungraded Ground at Location Stake = 10582.8'
Elev. Graded Ground at Location Stake = 10581.7'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



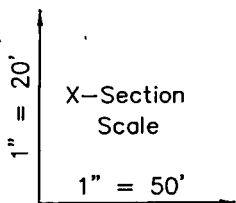
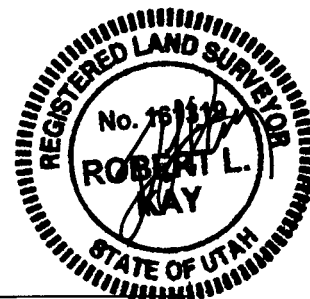
DOMINION EXPLR. & PROD., INC.

TYPICAL CROSS SECTIONS FOR

SKYLINE UNIT #8-7

SECTION 7, T15S, R6E, S.L.B.&M.

1955' FNL 141' FEL

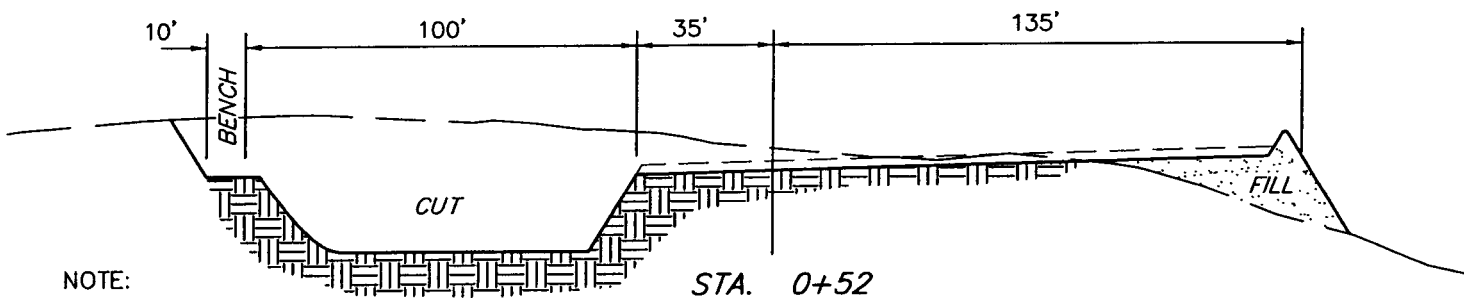
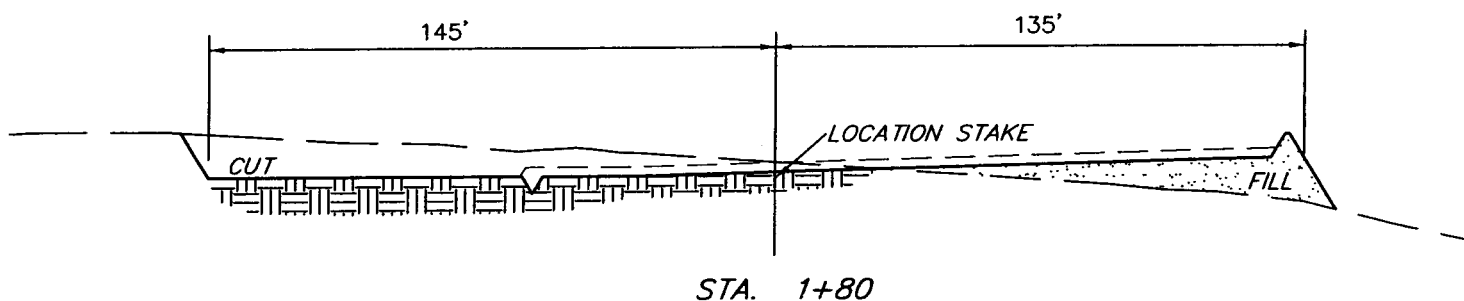
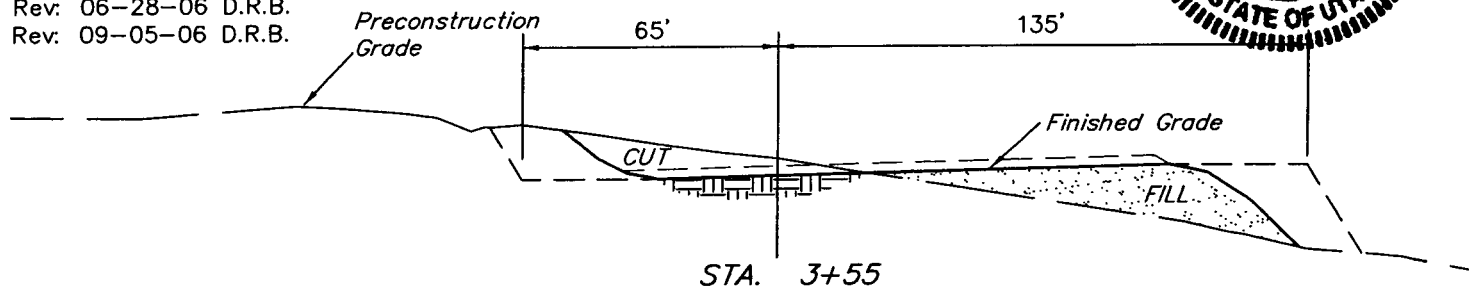


DATE: 09-25-05

Drawn By: D.R.B.

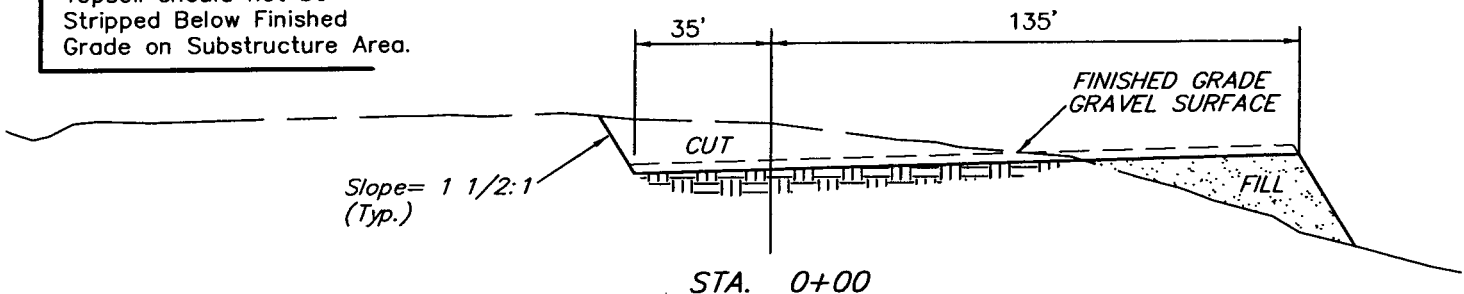
Rev: 06-28-06 D.R.B.

Rev: 09-05-06 D.R.B.



NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.



(12") GRAVEL = 2,420 Cu. Yds.
(To Be Obtained from a Suitable Source)

* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT

(12") Topsoil Stripping = 3,650 Cu. Yds.

Remaining Location = 7,530 Cu. Yds.

TOTAL CUT = 11,180 CU.YDS.

FILL = 5,970 CU.YDS.

EXCESS MATERIAL = 5,210 Cu. Yds.

Topsoil & Pit Backfill = 5,210 Cu. Yds.
(1/2 Pit Vol.)

EXCESS UNBALANCE = 0 Cu. Yds.
(After Rehabilitation)

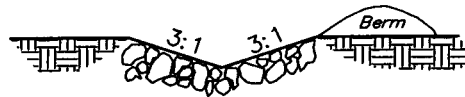
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

DOMINION EXPLR. & PROD., INC.

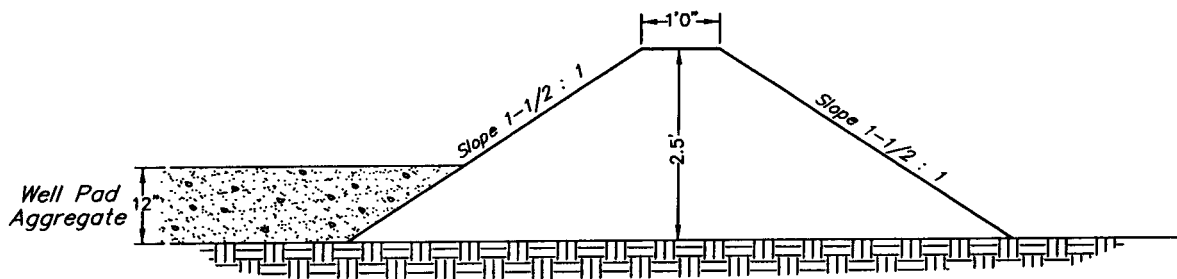
DETAIL SHEET

DATE: 06-29-06
Drawn By: D.R.B.
Revised: 08-10-06 D.R.B.
Revised: 09-05-06 D.R.B.

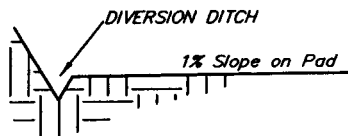
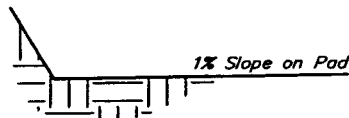
SKYLINE UNIT #8-7
SECTION 7, T15S, R6E, S.L.B.&M.
1955' FNL 141' FEL



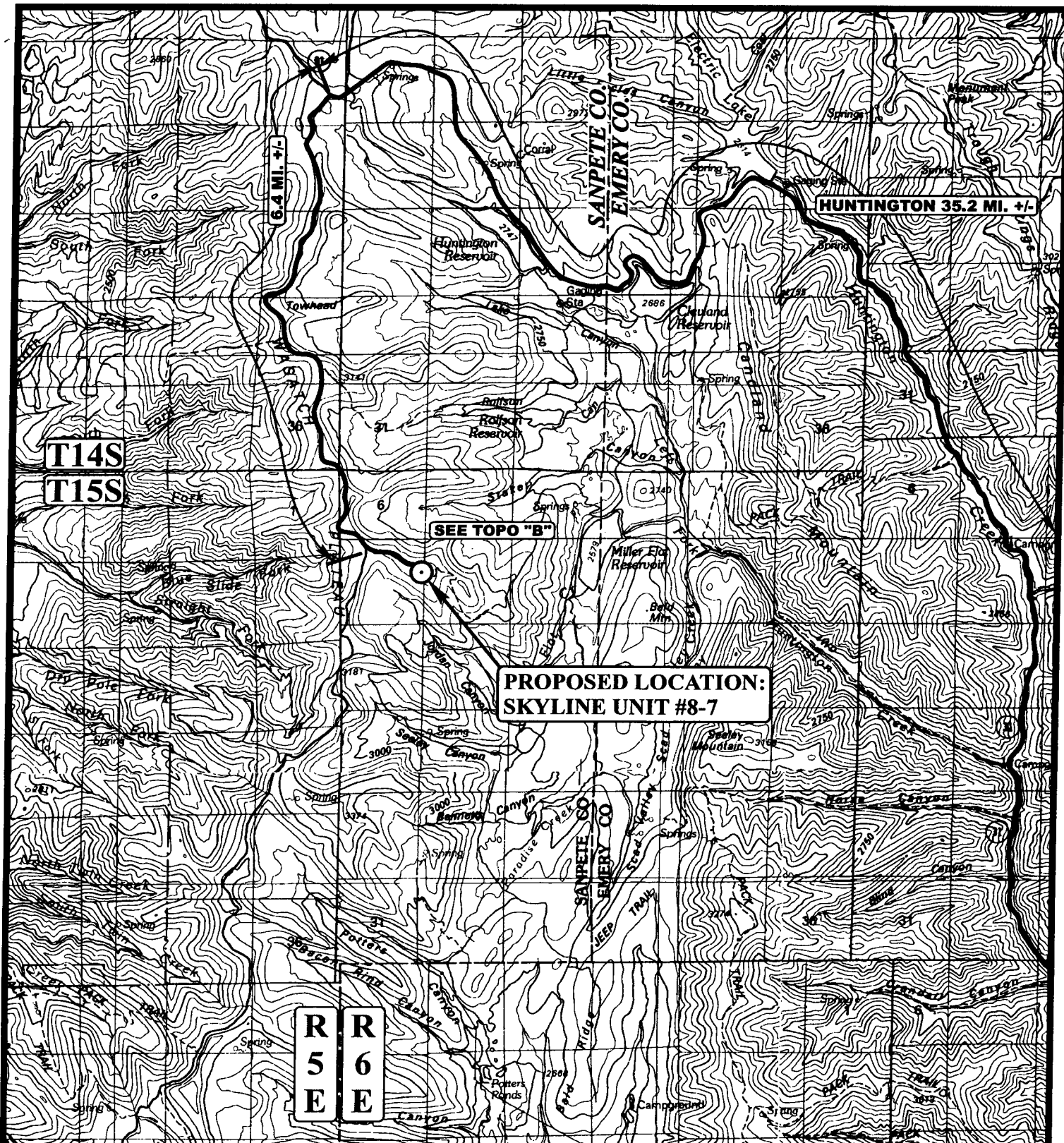
RIP RAP IN WING DITCH (DETAIL)
(Only Where Specified)



BERM (EDGE OF LOCATION)
(NO SCALE)



DIVERSION DITCH (EDGE OF LOCATION)
(NO SCALE)



LEGEND:

⊙ PROPOSED LOCATION

N

DOMINION EXPLR. & PROD., INC.

SKYLINE UNIT #8-7

SECTION 7, T15S, R6E, S.L.B.&M.

1955' FNL 141' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

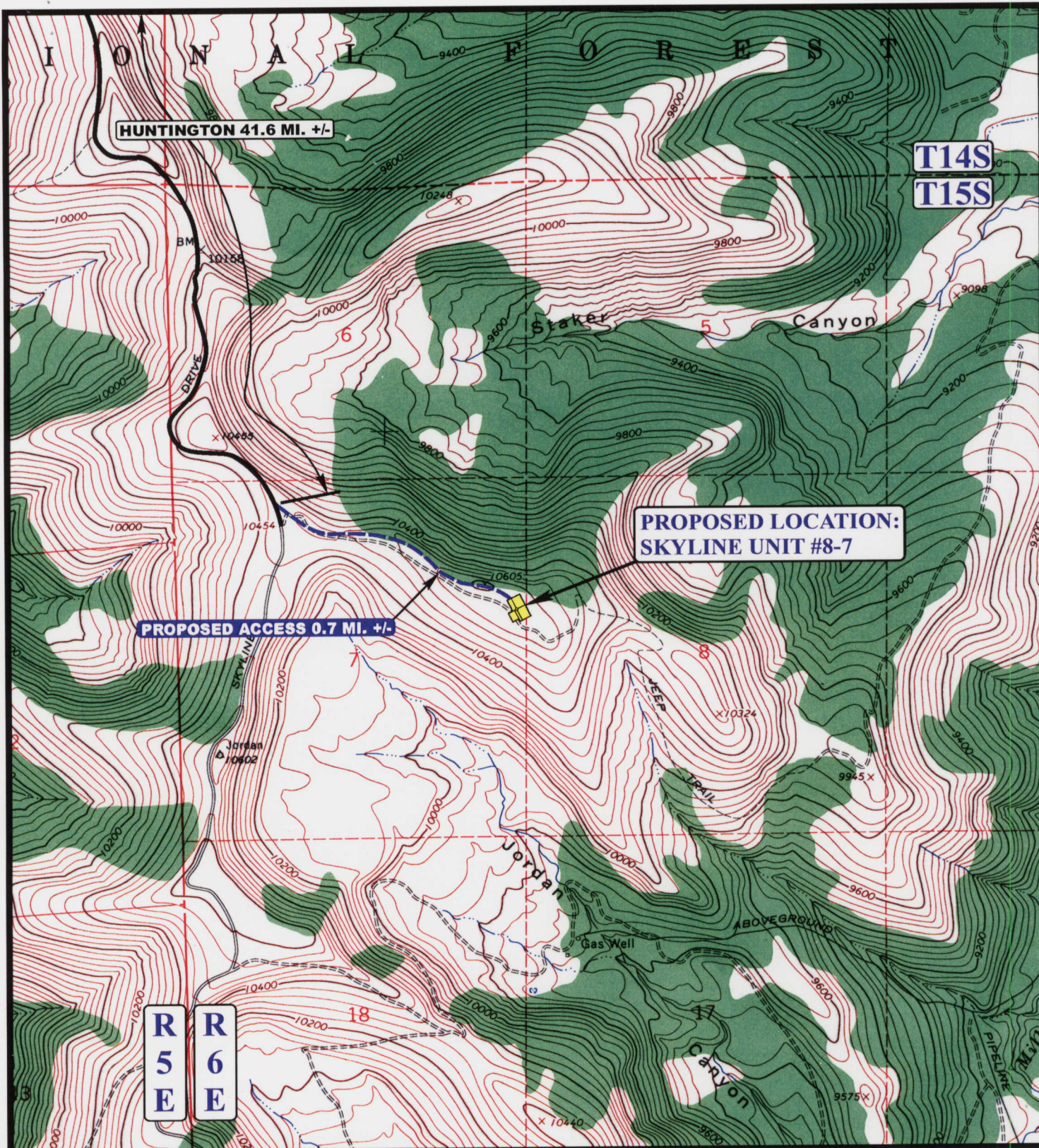


TOPOGRAPHIC
MAP

11 **04** **05**
 MONTH DAY YEAR

SCALE: 1:100,000 **DRAWN BY: C.P.** **REVISED: 09-05-06**





LEGEND:

EXISTING ROAD
 PROPOSED ACCESS ROAD

DOMINION EXPLR. & PROD., INC.

SKYLINE UNIT #8-7
SECTION 7, T15S, R6E, S.L.B.&M.
1955' FNL 141' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC
MAP

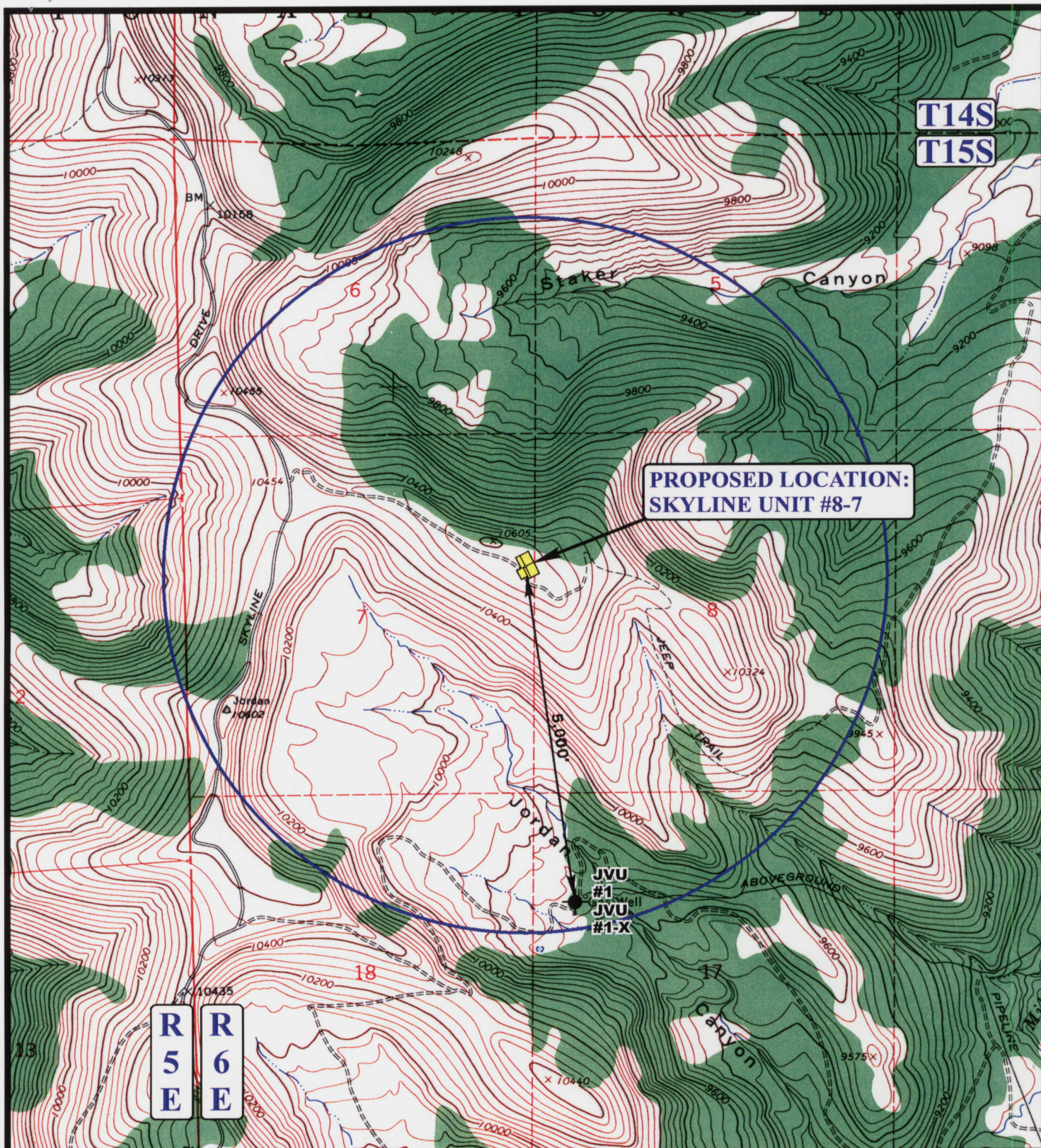
11 04 05
MONTH DAY YEAR

SCALE: 1" = 2000'

DRAWN BY: C.P.

REVISED: 09-05-06

B
TOPO



**PROPOSED LOCATION:
SKYLINE UNIT #8-7**

LEGEND:

- | | |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS | ⊗ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |

DOMINION EXPLR. & PROD., INC.

**SKYLINE UNIT #8-7
SECTION 7, T15S, R6E, S.L.B.&M.
1955' FNL 141' FEL**



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

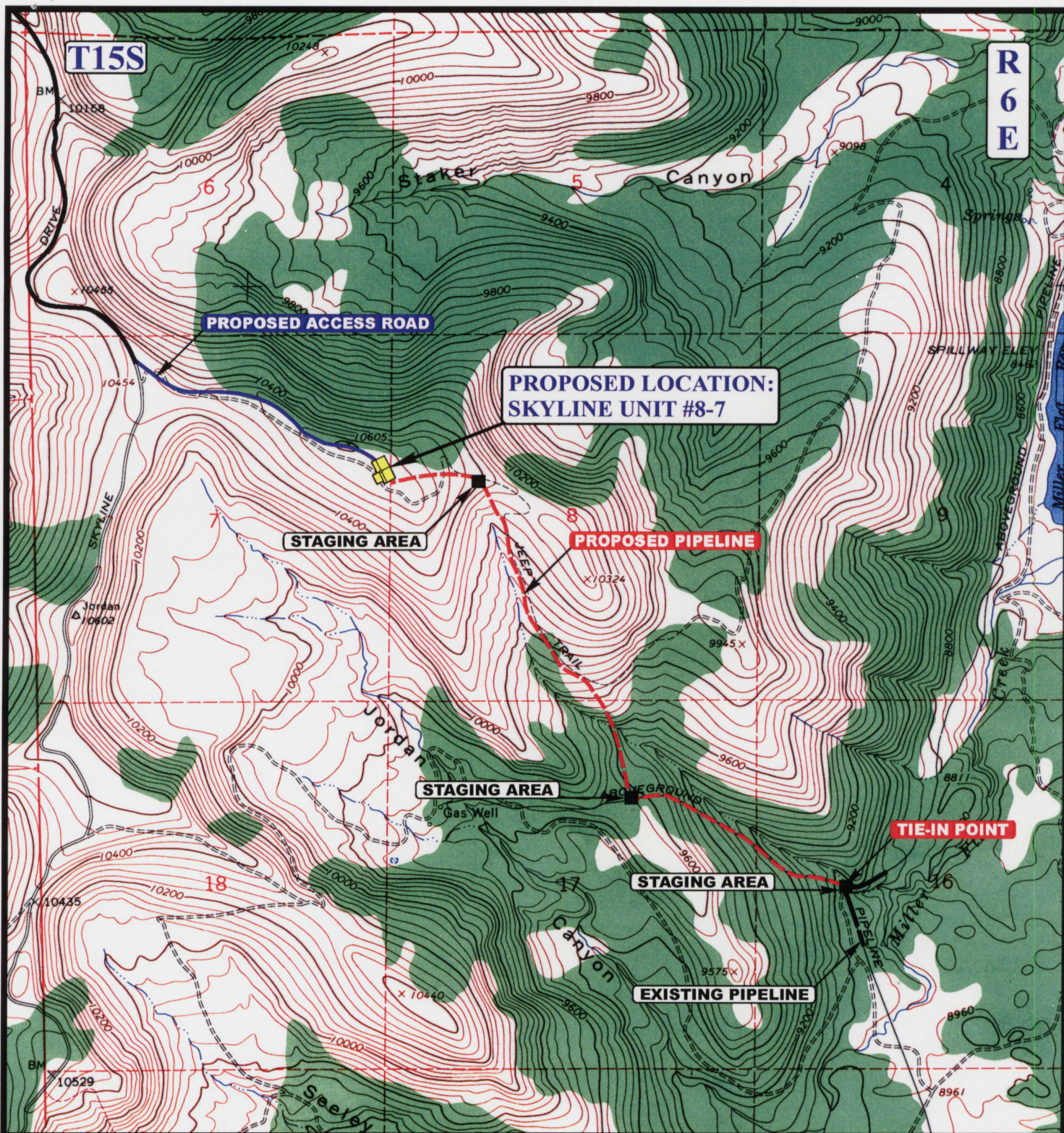
11 04 05
MONTH DAY YEAR

SCALE: 1" = 2000'

DRAWN BY: C.P.

REVISED: 09-05-06





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



DOMINION EXPLR. & PROD., INC.

SKYLINE UNIT #8-7
SECTION 7, T15S, R6E, S.L.B.&M.
1955' FNL 141' FEL

TOPOGRAPHIC
MAP

04 26 06
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 09-05-06



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB No. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

1. Type of Well

☐

Oil Well

☒

Gas Well

☐

Other

2. Name of Operator

Dominion Exploration & Production, Inc.

3a. Address

14000 Quail Springs Pkwy, Ste 600, OKC, OK 73134

3b. Phone No. (include area code)

(405) 749-5237

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1955' FNL & 141' FEL, SE NE, Sec. 7-15S-6E

5. Lease Serial No.

UTU-78415

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Skyline Unit 8-7

9. API Well No.

43-039-30029

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Sanpete, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION

☒

Notice of Intent

☐

Subsequent Report

☐

Final Abandonment Notice

TYPE OF ACTION

☐

Acidize

☐

Altering Casing

☐

Casing Repair

☐

Change Plans

☐

Convert to Injection

☐

Deepen

☐

Fracture Treat

☐

New Construction

☐

Plug and Abandon

☐

Plug Back

☐

Production (Start/Resume)

☐

Reclamation

☐

Recomplete

☐

Temporarily Abandon

☐

Water Disposal

☐

Water Shut-Off

☐

Well Integrity

☒

Other

APD Extension

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

The state APD for this well expires February 13, 2007. Dominion Exploration & Production, Inc. is requesting a one year extension.

Approved by the
Utah Division of
Oil, Gas and Mining

Date:

02-12-07

By:

[Signature]

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Barbara Lester

Title Regulatory Specialist

Signature

[Signature]

Date 1/29/2007

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

COPY SENT TO OPERATOR
Date: 2-12-06
Initials: RM

RECEIVED

FEB 12 2007

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-039-30029
Well Name: Skyline Unit 8-7
Location: 1955' FNL & 141' FEL, Sec. 7-15S-6E
Company Permit Issued to: Dominion Exploration & Production, Inc.
Date Original Permit Issued: 2/13/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

1/29/2007

Date

Title: Regulatory Specialist

Representing: Dominion Exploration & Production, Inc.

RECEIVED

FEB 12 2007

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB No. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

1. Type of Well

☐ Oil Well

☒ Gas Well

☐ Other

2. Name of Operator

Dominion Exploration & Production, Inc.

3a. Address

14000 Quail Springs Pkwy, Ste 600, OKC, OK 73134

3b. Phone No. (include area code)

(405) 749-5237

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1955' FNL & 141' FEL, SE NE, Sec. 7-15S-6E

5. Lease Serial No.

UTU-78415

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Skyline Unit 8-7

9. API Well No.

43-039-30029

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Sanpete, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Dominion requests permission to change the drilling plan for this well by eliminating the Intermediate II 7" casing and changing the Production casing from 4-1/2" to 5-1/2". The new drilling plan is attached.

7-12-07
Rm

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Barbara Lester

Title Regulatory Specialist

Signature

Barbara Lester

Date 5/24/2007

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: 7/9/07

By: *[Signature]*

Federal Approval of this
Action Is Necessary

RECEIVED

MAY 29 2007

DIV. OF OIL, GAS & MINING

DRILLING PLAN

APPROVAL OF OPERATIONS

Attachment for Permit to Drill

Name of Operator: Dominion Exploration & Production
Address: 14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134
Well Location: Skyline Unit 8-7
1955' FNL & 141' FEL
Section 7-15S-6E
Emery County, UT

1. GEOLOGIC SURFACE FORMATION North Horn

2. ESTIMATED DEPTHS OF IMPORTANT GEOLOGIC MARKERS

<u>Formation</u>	<u>Depth</u>
Price River	1,350'
Castlegate	1,850'
Blackhawk	2,150'
Star Point	3,100'
Mancos	3,450'
Emery	4,700'
Bluegate	6,100'
Ferron	8,100'
Tununk	8,625'

3. ESTIMATED DEPTHS OF ANTICIPATED OIL, GAS OR MINERALS

<u>Formation</u>	<u>Depth</u>	<u>Type</u>
Price River	1,350'	—
Castlegate	1,850'	—
Blackhawk	2,150'	—
Star Point	3,100'	—
Mancos	3,450'	—
Emery	4,700'	Gas
Bluegate	6,100'	—
Ferron	8,100'	Gas
Tununk	8,625'	—

4. PROPOSED CASING PROGRAM

All casing used to drill this well will be new casing.

<u>Type</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Conn.</u>	<u>Top</u>	<u>Bottom</u>	<u>Hole</u>
Surface	13-3/8"	61.0 ppf	J-55	STC	0'	300'	17-1/2"
Intermediate	9-5/8"	40.0 ppf	N-80	LTC	0'	3,000'	12-1/4"
Production	5-1/2"	17.0 ppf	P110	LTC	0'	8,750'	8-3/4"

RECEIVED
MAY 29 2007
DIV. OF OIL, GAS & MINING

DRILLING PLAN

APPROVAL OF OPERATIONS

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

Surface hole: No BOPE will be utilized.

Intermediate hole: To be drilled using a diverter stack with rotating head to divert flow from rig floor.

Production hole: Prior to drilling out the intermediate casing shoe, 3,000 psi or greater BOP equipment will be installed.

The pipe rams will be operated at least once per day from intermediate casing to total depth. The blind rams will be tested once per day from intermediate casing to total depth if operations permit.

A diagram of the planned BOP equipment for normal drilling operations in this area is attached. As denoted there will be two valves and one check valve on the kill line, two valves on the choke line, and two adjustable chokes on the manifold system. The BOP "stack" will consist of two BOP rams (1 pipe, 1 blind) and one annular type preventer, all rated to a minimum of 3,000 psi working pressure.

The BOP equipment will be pressure tested prior to drilling below the intermediate casing shoe. All test pressures will be maintained for fifteen (15) minutes without any significant pressure decrease. Clear water will be circulated into the BOP stack and lines prior to pressure testing. The following test pressures will be used as a minimum for various equipment items.

1.	Annular BOP	1,500 psi
2.	Ram type BOP	3,000 psi
3.	Kill line valves	3,000 psi
4.	Choke line valves and choke manifold valves	3,000 psi
5.	Chokes	3,000 psi
6.	Casing, casinghead & weld	1,500 psi
7.	Upper kelly cock and safety valve	3,000 psi
8.	Dart valve	3,000 psi

6. MUD SYSTEMS

- An air or an air/mist system may be used to drill the surface hole until water influx becomes too great.
- KCL mud system will be used to drill well.

<u>Depths</u>	<u>Mud Weight (ppg)</u>	<u>Mud System</u>
0' – 300'	8.6	Air foam mist, no pressure control
300' – 3,000'	8.6	Air Mist, 4% KCL mud system
3,000' – 8,750'	8.6	4% KCL mud system/aerated system

7. BLOOIE LINE

- An automatic igniter will not be installed on blooie line. The blooie will have a constant ignition source.
- A "target tee" connection will be installed on blooie line for 90° change of directions for abrasion resistance.
- "Target tee" connections will be a minimum of 50' from wellhead.
- The blooie line discharge will be a minimum of 100' from the wellhead.

8. AUXILIARY EQUIPMENT TO BE USED

- a. Kelly cock.
- b. Full opening valve with drill pipe connection will be kept on floor. Valve will be used when the kelly is not in string.

9. TESTING, LOGGING, AND CORING PROGRAMS TO BE FOLLOWED

- Resistivity/Sonic/GR/Caliper log from surface casing to TD.
- LDT/CNL/GR/Caliper detail log from base of 7" casing to TD.
- Possible MRIL from base of 9 5/8" casing to TD.

10. ANTICIPATED ABNORMAL PRESSURES OR TEMPERATURES EXPECTED

- Expected BHP 1,500–2,000 psi (lower than normal pressure gradient).
- No abnormal temperature or pressures are anticipated.
- The formations to be penetrated do not contain known H2S gas.

DRILLING PLAN

APPROVAL OF OPERATIONS

11. WATER SUPPLY

- No water pipelines will be laid for this well.
- No water well will be drilled for this well.
- Drilling water for this will be hauled on the road(s) shown in Attachment No. 3.
- Water will be leased from Nielson Construction through a direct purchase agreement. A Sundry will be submitted with the appropriate water rights information in the future.

12. CEMENT SYSTEMS

- a. Surface Cement: Drill 17 1/2" hole to 300' and cement 13 3/8" casing from TD to surface. Circulate cement to surface.

<u>Type</u>	<u>Sacks</u>	<u>Interval</u>	<u>Density</u>	<u>Yield</u>	<u>Hole</u> <u>Volume</u>	<u>Cement</u> <u>Volume</u>	<u>Excess</u>
Tail	375	0'-300'	15.8 ppg	1.15 CF/SK	209 CF	432 CF	100%

Tail Mix: Class 'G' + 2% CaCl₂ + 1/4 pps Flocele

- b. Intermediate Casing Cement: Drill 12 1/4" hole to 3,000' and cement 9 5/8" casing from TD to target depth of surface.

<u>Type</u>	<u>Sacks</u>	<u>Interval</u>	<u>Density</u>	<u>Yield</u>	<u>Hole</u> <u>Volume</u>	<u>Cement</u> <u>Volume</u>	<u>Excess</u>
Lead	250	0'-2,000'	10.5 ppg	4.14 CF/SK	626 CF	1,035 CF	50%
Tail	275	2,000'-3,000'	13.5 ppg	1.74 CF/SK	313 CF	479 CF	50%

Lead Mix: Halliburton CBM Lite, Type III + 10 pps Gilsonite + 1/4 pps Flocele

Tail Mix: Halliburton CBM Lite, Type III + 10 pps Gilsonite + 1/4 pps Flocele

- c. Production Casing Cement: Drill 8 3/4" hole to 8,750' and cement 5 1/2" casing from TD to target depth of 3,000'.

<u>Type</u>	<u>Sacks</u>	<u>Interval</u>	<u>Density</u>	<u>Yield</u>	<u>Hole</u> <u>Volume</u>	<u>Cement</u> <u>Volume</u>	<u>Excess</u>
Lead	525	3,000'-7,250'	11.6 ppg	3.12 CF/SK	1074 CF	1638 CF	50%
Tail	335	7,250'-8,750'	13.0 ppg	1.71 CF/SK	379 CF	573 CF	50%

Lead Mix: Halliburton HighFill, Type V + 1/4 pps Flocele

Tail Mix: Halliburton Light Premium, Type V + 1% Econolite + 10 pps Gilsonite + 1/4 pps Flocele + retarder

13. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS

Starting Date: July 15, 2007

Duration: 30 Days

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

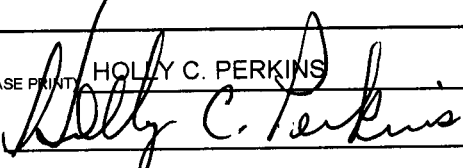
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-78415
2. NAME OF OPERATOR: XTO ENERGY INC.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 2700 Farmington Ave. CITY Farmington STATE NM ZIP 87401		7. UNIT or CA AGREEMENT NAME: SKYLINE UNIT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2023' FNL & 154' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 7 15S 06E		8. WELL NAME and NUMBER: SKYLINE UNIT 8-7
PHONE NUMBER: (505) 324-1090		9. API NUMBER: 430097 43-039-30029
COUNTY: SANPETE		10. FIELD AND POOL, OR WILDCAT: FERRON COAL
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 8/27/2007	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

XTO Energy Inc. proposes to change portions of our drilling plans for the Skyline Unit 8-7 per attached documents.

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

NAME (PLEASE PRINT) HOLLY C. PERKINS	TITLE REGULATORY COMPLIANCE TECH
SIGNATURE 	DATE 8/27/2007

(This space for State use only)

AUG 30 2007

XTO ENERGY INC.

Skyline Unit 8-7

APD Data

August 27, 2007

Location: 2023' FNL & 154' FEL, Sec 7, T15S, R6E

County: Sanpete

State: Utah

GREATEST PROJECTED TD: 9565'

APPROX GR ELEV: 10,584'

OBJECTIVE: Ferron Coal/SS

Est KB ELEV: 10,598' (14' AGL)

1. MUD PROGRAM:

INTERVAL	0' to 360'	360' to 3600'	3600' to 9565'
HOLE SIZE	17.5"	12.25"	8.75"
MUD TYPE	FW/Spud Mud	LSND / Gel Chemical ¹	Aerated Mud ²
WEIGHT	8.6-9.0	8.4-8.8	8.4-8.8
VISCOSITY	28-32	28-32	28-32
WATER LOSS	NC	8-10	8-10

Remarks:

Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes.

¹Aerate mud until reserve pit is full. Upon filling pit, convert to mud with no aeration.

²Aerate mud unless excessive waterflow is encountered. Base fluid will be LSND / Gel Chemical mud.

2. CASING PROGRAM:

Surface Casing: 13.375" casing to be set at $\pm 360'$ in a 17-1/2" hole filled with 8.6 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-360'	360'	61.0#	J-55	ST&C	1540	3090	798	12.515	12.359	9.565	19.19	36.3

Intermediate Casing: 9.625" casing to be set at $\pm 3600'$ in a 12-1/4" hole filled with 8.6 ppg mud

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-3600'	3600'	36.0#	J-55	ST&C	2020	3520	394	8.921	8.765	1.254	2.18	3.04

Production Casing: 5.5" casing to be set at TD ($\pm 9565'$) in 8.75" hole filled with 9.20 ppg mud.

Interval	Length	Wt	Gr	Cplg	Coll Rating (psi)	Burst Rating (psi)	Jt Str (M-lbs)	ID (in)	Drift (in)	SF Coll	SF Burst	SF Ten
0'-9565'	9565'	17.0#	I-100	LT&C	5480	8750	345	4.950	4.825	1.19	1.91	2.12

4. CEMENT PROGRAM (Slurry design may change slightly, but the plan is to circulate cement to surface on both casing strings):

- A. Surface: 13.375", 61.0#, J-55, ST&C casing to be set at $\pm 360'$ in 17-1/2" hole.
- a. 335 sx of Type V cement (or equivalent) containing 1% CaCl, ¼ pps Flocele, and 10% Cal_Seal mixed at 14.2 ppg and 1.61 ft³/sk.

Total slurry volume is 538 ft³, 100% excess of calculated annular volume to 360'.

- B. Intermediate: 9-5/8", 36.0#, J-55, ST&C casing to be set at $\pm 3600'$ in 12.25" hole.

LEAD:

268 sx of CBM Light Weight Cement with 10 pps Gilsonite and ¼ pps celloflake mixed at 10.5 ppg and 4.15 ft³/sk.

TAIL:

250 sx of CBM Light Weight Cement with 10 pps Gilsonite and ¼ pps celloflake mixed at 13.5 ppg and 1.81 ft³/sk.

Total estimated slurry volume for the 9-5/8" production casing is 1565 ft³.

- C. Production: 5-1/2", 17.0#, I-100, LT&C casing to be set at $\pm 9565'$ in 8.75" hole.

LEAD:

431 sx of CBM Light Weight Cement with 10 pps Gilsonite and ¼ pps celloflake mixed at 10.5 ppg and 4.15 ft³/sk.

TAIL:

250 sx of CBM Light Weight Cement with 10 pps Gilsonite and ¼ pps celloflake mixed at 13.5 ppg and 1.81 ft³/sk.

Total estimated slurry volume for the 5-1/2" production casing is 2242 ft³.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs plus 40%. It will be attempted to circulate cement to the surface on surface and intermediate strings. Production casing volumes are based on a 500' overlap.

5. LOGGING PROGRAM:

- A. Mud Logger: The mud logger will come on at 1,000' and will remain on the hole until TD. The mud will be logged in 10' intervals.

- B. Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (9565') to the bottom of the intermediate csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (9565') to 3,600'.

6. FORMATION TOPS:

Est. KB Elevation: 10598'

FORMATION	Sub-Sea Elev.	WELL DEPTH
Castlegate		1790
Blackhawk		2125
Star Point		3050
Upper Bluegate		3550
Emery		4590
Lower Bluegate		5900
Upper Ferron*		8170
Lower Ferron		8575
Tununk		8755
Dakota**		9115
Total Depth		9565

* Primary Objective

** Secondary
Objective

8. COMPANY PERSONNEL:

Name	Title	Office Phone	Home Phone
John Egelston	Drilling Engineer	505-564-6734	505-330-6902
Jerry Lacy	Drilling Superintendent	505-566-7917	505-320-6543
Josh Stark	Project Geologist	817-885-2800	--

JWE
8/27/07

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

7/1/2007

FROM: (Old Operator):

N1095-Dominion Exploration & Production, Inc
 14000 Quail Springs Parkway, Suite 600
 Oklahoma City, OK 73134

Phone: 1 (405) 749-1300

TO: (New Operator):

N2615-XTO Energy Inc
 810 Houston St
 Fort Worth, TX 76102

Phone: 1 (817) 870-2800

CA No.

Unit:

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/6/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/6/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/6/2007
- a. Is the new operator registered in the State of Utah: Business Number: 5655506-0143
- b. If **NO**, the operator was contacted on:
- a. (R649-9-2) Waste Management Plan has been received on: IN PLACE
- b. Inspections of LA PA state/fee well sites complete on: n/a
- c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on:
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on:
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on:

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 9/27/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/27/2007
- Bond information entered in RBDMS on: 9/27/2007
- Fee/State wells attached to bond in RBDMS on: 9/27/2007
- Injection Projects to new operator in RBDMS on: 9/27/2007
- Receipt of Acceptance of Drilling Procedures for APD/New on: 9/27/2007

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000138
- Indian well(s) covered by Bond Number: n/a
- a. (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 104312762
- b. The **FORMER** operator has requested a release of liability from their bond on: 1/23/2008

The Division sent response by letter on:

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on:

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: XTO Energy Inc. <i>N2615</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 810 Houston Street CITY Fort Worth STATE TX ZIP 76102		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (817) 870-2800		8. WELL NAME and NUMBER: SEE ATTACHED
4. LOCATION OF WELL FOOTAGES AT SURFACE: SEE ATTACHED		9. API NUMBER: SEE ATTACHED
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT: Natural Buttes
COUNTY: Uintah		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective July 1, 2007, XTO Energy Inc. has purchased the wells listed on the attachment from:

Dominion Exploration & Production, Inc.
14000 Quail Springs Parkway, Suite 600
Oklahoma City, OK 73134

N1095

James D. Abercrombie
James D. Abercrombie
Sr. Vice President, General Manager - Western Business Unit
(405) 749-1300

Please be advised that XTO Energy Inc. is considered to be the operator on the attached list and is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands. Bond coverage is provided by Nationwide BLM Bond #104312750 and Department of Natural Resources Bond #104312762.

NAME (PLEASE PRINT) <u>Edwin S. Ryan, Jr.</u>	TITLE <u>Sr. Vice President - Land Administration</u>
SIGNATURE <i>Edwin S. Ryan, Jr.</i>	DATE <u>7/31/2007</u>

(This space for State use only)

APPROVED *91271107*
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

RECEIVED
AUG 06 2007
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	SEE ATTACHED LIST
API number:	
Location:	Qtr-Qtr: Section: Township Range
Company that filed original application:	DOMINION E&P
Date original permit was issued:	
Company that permit was issued to:	DOMINION E&P

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?		<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>104312762</u>	<input checked="" type="checkbox"/>	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) HOLLY C. PERKINS Title REGULATORY COMPLIANCE TECH
Signature *Holly C. Perkins* Date 08/27/2007
Representing (company name) XTO ENERGY INC.

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

AUG 30 2007

N1095 DOMINION E and P, INC. to N2615 XTO ENERGY, INC.

api	well_name	qtr_qtr	sec	tpw	rng	lease_num	entity	Lease	well	stat
4303930028	SKYLINE U 14-28	SESW	28	140S	060E	UTU-77262		Federal	GW	APD
4303930029	SKYLINE U 8-7	SENE	07	150S	060E	UTU-78415		Federal	GW	APD
4304737195	KC 6-33E	SENW	33	100S	190E	UTU-49522		Federal	OW	APD
4304737196	KC 9-33E	NESE	33	100S	190E	UTU-49522		Federal	OW	APD
4304737197	KC 11-33E	NESW	33	100S	190E	UTU-49522		Federal	OW	APD
4304738075	LCU 7-9H	NWSE	09	110S	200E	UTU-76265		Federal	GW	APD
4304738689	RBU 15-8E	NENE	17	100S	190E	U-013766		Federal	GW	APD
4304738783	KC 14-33E	SESW	33	100S	190E	UTU-49522		Federal	GW	APD
4304738868	LOVE 12-20G	NWSW	20	110S	210E	UTU-076040		Federal	GW	APD
4304738889	KC 9-31E	NESE	31	100S	190E	UTU-81719		Federal	GW	APD
4304738890	KC 13-31E	SWSW	31	100S	190E	UTU-81719		Federal	GW	APD
4304738891	KC 12-33E	NWSW	33	100S	190E	UTU-49522		Federal	GW	APD
4304738948	KC 14-31E	SESW	31	100S	190E	UTU-081719		Federal	GW	APD
4304738949	KC 3-33E	NENW	33	100S	190E	UTU-49522		Federal	GW	APD
4304739051	KC 15-31E	SWSE	31	100S	190E	UTU-81719		Federal	GW	APD
4304739068	KC 7-33E	SWNE	33	100S	190E	UTU-49522		Federal	GW	APD
4304739069	KC 13-33E	SWSW	33	100S	190E	UTU-49522		Federal	GW	APD
4304739070	KC 15-33E	SWSE	33	100S	190E	UTU-49522		Federal	GW	APD
4304739415	WHB 4-5H	NWNW	05	110S	200E	UTU-39223		Federal	GW	APD
4304739416	WHB 12-5H	NWSW	05	110S	200E	UTU-39223		Federal	GW	APD
4304739417	WHB 13-5H	SWSW	05	110S	200E	UTU-39223		Federal	GW	APD
4304739440	WHB 4-8H	NWNW	08	110S	200E	UTU-39223		Federal	GW	APD
4304739441	WHB 5-5H	NWNW	05	110S	200E	UTU-39223		Federal	GW	APD
4304738262	KINGS CYN 9-32E	NESE	32	100S	190E	ML-047059		State	GW	APD
4304738342	LCU 12-12H	NWSW	12	110S	200E	FEE		Fee	GW	APD
4304738378	KINGS CYN 11-32E	NESW	32	100S	190E	ML-047059		State	GW	APD
4304738690	KINGS CYN 11-36D	NESW	36	100S	180E	ML-47058		State	GW	NEW
4304738779	KC 5-36D	SWNW	36	100S	180E	ML-47058		State	GW	APD
4304738781	KC 6-32E	SENW	32	100S	190E	ML-47059		State	GW	APD
4304738782	KC 15-32E	NWSE	32	100S	190E	ML-047059		State	GW	APD
4304738786	AP 11-2J	NESW	02	110S	190E	ML-36213		State	GW	APD
4304738787	AP 13-2J	SWSW	02	110S	190E	ML-36213		State	GW	APD
4304738950	KC 13-32E	SESW	32	100S	190E	ML-047059		State	GW	APD
4304739218	KC 14-32E	SESW	32	100S	190E	ML-047059		State	GW	APD
4304739219	KC 16-32E	SESE	32	100S	190E	ML-047059		State	GW	APD
4304739222	LCU 14-12H	SESW	12	110S	200E	FEE		Fee	GW	APD
4304739315	AP 12-2J	NWSW	02	110S	190E	ML-36213		State	GW	NEW

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells or to significantly deepen existing wells. Show current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER UTU-7841#5
2. NAME OF OPERATOR: XTO Energy, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. Box 1360 Roosevelt CO Zip 84066		7. UNIT or CA AGREEMENT NAME Undesignated
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1,955' FNL & 141' FEL SE/4 NE/4 QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 7 15S 6E S		8. WELL NAME and NUMBER: SKYLINE U 8-7 9. API NUMBER: 4303930029 10. FIELD AND POOL, OR WILDCAT: Undesignated
		COUNTY: San Juan San Petri STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Permit Extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

XTO Energy, Inc. hereby requests a one year extension of the state permit for the referenced well.

This is the second extension that has been requested.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-04-07
By: [Signature]

NAME (PLEASE PRINT) <u>Marnie Griffin</u>	TITLE <u>Agent for XTO Energy, Inc.</u>
SIGNATURE <u>[Signature]</u>	DATE <u>11/28/2007</u>

(This space for State use only)

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4303930029
Well Name: SKYLINE U 8-7
Location: 1,955' FNL & 141' FEL SE/4 NE/4
Company Permit Issued to: XTO Energy, Inc.
Date Original Permit Issued: 2/13/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

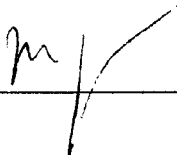
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Signature



11/28/2007

Date

Title: Agent

Representing: XTO Energy, Inc.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-78414
2. NAME OF OPERATOR: XTO Energy, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. Box 1360 CITY Roosevelt STATE UT ZIP 84066		7. UNIT or CA AGREEMENT NAME: Skyline II Unit
PHONE NUMBER: (435) 722-4521		8. WELL NAME and NUMBER: SKYLINE U 8-7
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1,955' FNL & 141' FEL		9. API NUMBER: 4303930029
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 7 15S 6E S		10. FIELD AND POOL, OR WILDCAT: Undesignated
COUNTY: Uintah		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

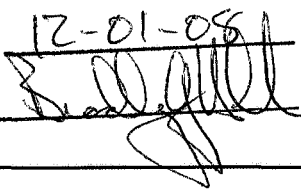
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
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<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Permit Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

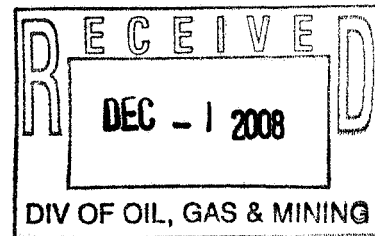
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

XTO Energy, Inc. hereby requests a one year extension of the state permit for the referenced well.

This is the second extension that has been requested.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-01-08
By: 



NAME (PLEASE PRINT) <u>Kendell Johnson</u>	TITLE <u>Agent for XTO Energy, Inc.</u>
SIGNATURE <u>Kendell Johnson</u>	DATE <u>11/14/2008</u>

(This space for State use only)

COPY SENT TO OPERATOR

Date: 12-4-2008

Initials: KS

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4303930029
Well Name: SKYLINE U 8-7
Location: 1,955' FNL & 141' FEL, SE NE Sec. 7, 15S-6E
Company Permit Issued to: XTO Energy, Inc.
Date Original Permit Issued: 2/13/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Kendell Johnson
Signature

11/14/2008
Date

Title: Kendell Johnson

Representing: XTO Energy, Inc.

December 12, 2008

43-039-30029

Fluid Minerals Group
Bureau of Land Management
150 East 900 North
Richfield, Utah 84701

RE: Updated and Supplemental Information - Liberty Pioneer Energy Source, Inc.
Skyline Unit 8-7 – 1,955' FNL & 141' FEL, SE/4 NE/4,
Section 7, T15S, R6E, SLB&M, Sanpete County, Utah

Dear Fluid Minerals Group:

On behalf of Liberty Pioneer Energy Source, Inc. (Liberty Pioneer), Buys & Associates, Inc. respectfully submits the enclosed updated and supplemental information to replace the information previously submitted within the APD in response to your deficiency letter dated December 4, 2008. The following information has been attached:

- Updated Drilling Plan with changes made to reflect more numerical consistency and better meet the requirements of Onshore Order #1 including casing condition, design criteria and safety factors.

We have also made a note of the correct federal bond number. Thank you very much for your timely consideration of our submitted application. Please feel free to contact Daniel R. Gunnell of Liberty Pioneer at 801-224-4771 or myself should you have any questions or need additional information.

Sincerely,

Don Hamilton
Don Hamilton
Agent for Liberty Pioneer

cc: Tom Lloyd, Forest Service – Ferron District Office
Diana Mason, Utah DOGM
Daniel R. Gunnell, Liberty Pioneer

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DEC 17 2008

DIV. OF OIL, GAS & MINING

FILE COPY

DRILLING PLAN

(Revised 12-4-08)

Attachment for Permit to Drill

Name of Operator: Liberty Pioneer Energy Source, Inc.
Address: 1411 East 840 North
Orem, Utah 84097
Well Location: Skyline Unit 8-7
1,955' FNL & 141' FEL, SE/4 NE/4,
Section 7, T15S, R6E, SLB&M
Sanpete County, UT

1. GEOLOGIC SURFACE FORMATION North Horn
2. ESTIMATED DEPTHS OF IMPORTANT GEOLOGIC MARKERS

<u>Formation</u>	<u>Depth</u>
Price River	1,350'
Castlegate	1,850'
Blackhawk	2,150'
Star Point	3,100'
Mancos	3,450'
Emery	4,700'
Bluegate	6,100'
Ferron	8,100'
Tununk	8,625'

3. ESTIMATED DEPTHS OF ANTICIPATED OIL, GAS OR MINERALS

<u>Formation</u>	<u>Depth</u>	<u>Type</u>
Price River	1,350'	—
Castlegate	1,850'	—
Blackhawk	2,150'	—
Star Point	3,100'	—
Mancos	3,450'	—
Emery	4,700'	Gas
Bluegate	6,100'	—
Ferron	8,100'	Gas
Tununk	8,625'	—

4. PROPOSED CASING PROGRAM

All casing used to drill this well will be new casing.

<u>Type</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Conn.</u>	<u>Top</u>	<u>Bottom</u>	<u>Hole</u>	<u>Burst</u>	<u>Tension</u>	<u>Collapse</u>
Surface	13-3/8"	61.0 ppf	J-55	STC	0'	2,160'	17-1/2"	1.4	4.5	1.4
Intermediate I	9-5/8"	43.5 ppf	N-80	LTC	0'	4,710'	12-1/4"	1.7	1.0	1.6
Intermediate II	7"	26.0 ppf	N-80	LTC	0'	8,110'	8 1/2"	1.7	2.5	1.3
Production	4-1/2"	11.6 ppf	P110	LTC	0'	8,750'	6-1/4"	1.5	2.8	1.7

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DIV. OF OIL, GAS & MINING

DRILLING PLAN

APPROVAL OF OPERATIONS

5. OPERATOR'S MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL

Surface hole: No BOPE will be utilized.

Intermediate hole: To be drilled using a diverter stack with rotating head to divert flow from rig floor.

Production hole: Prior to drilling out the intermediate casing shoe, 3,000 psi or greater BOP equipment will be installed.

The pipe rams will be operated at least once per day from intermediate casing to total depth. The blind rams will be tested once per day from intermediate casing to total depth if operations permit.

A diagram of the planned BOP equipment for normal drilling operations in this area is attached. As denoted there will be two valves and one check valve on the kill line, two valves on the choke line, and two adjustable chokes on the manifold system. The BOP "stack" will consist of two BOP rams (1 pipe, 1 blind) and one annular type preventer, all rated to a minimum of 3,000 psi working pressure.

The BOP equipment will be pressure tested prior to drilling below the intermediate casing shoe. All test pressures will be maintained for fifteen (15) minutes without any significant pressure decrease. Clear water will be circulated into the BOP stack and lines prior to pressure testing. The following test pressures will be used as a minimum for various equipment items.

1.	Annular BOP	3,000 psi
2.	Ram type BOP	3,000 psi
3.	Kill line valves	3,000 psi
4.	Choke line valves and choke manifold valves	3,000 psi
5.	Chokes	3,000 psi
6.	Casing, casinghead & weld	1,500 psi
7.	Upper kelly cock and safety valve	3,000 psi
8.	Dart valve	3,000 psi

6. MUD SYSTEMS

- An air or an air/mist system may be used to drill to drill the surface hole until water influx becomes too great.
- KCL mud system will be used to drill well.

<u>Depths</u>	<u>Mud Weight (ppg)</u>	<u>Mud System</u>
0' – 2,160'	8.6	Air foam mist, no pressure control
2,160' – 4,710'	8.6	Air Mist, Fresh water, 2% KCL/KCL mud system
4,710' – 8,110'	8.6	Fresh water/2% KCL/KCL mud system
8,110' – 8,750'	8.6	Fresh water/2% KCL/KCL mud system

7. BLOOIE LINE

- An automatic igniter will not be installed on blooie line. The blooie will have a constant ignition source.
- A "target tee" connection will be installed on blooie line for 90° change of directions for abrasion resistance.
- "Target tee" connections will be a minimum of 50' from wellhead.
- The blooie line discharge will be a minimum of 100' from the wellhead.

8. AUXILIARY EQUIPMENT TO BE USED

- a. Kelly cock.
- b. Full opening valve with drill pipe connection will be kept on floor. Valve will be used when the kelly is not in string.

9. TESTING, LOGGING, AND CORING PROGRAMS TO BE FOLLOWED

- Resistivity/Sonic/GR/Caliper log from surface casing to TD.
- LDT/CNL/GR/Caliper detail log from base of 7" casing to TD.
- Possible MRIL from base of 9 5/8" casing to TD.

10. ANTICIPATED ABNORMAL PRESSURES OR TEMPERATURES EXPECTED

- Expected BHP 1,500–2,000 psi (lower than normal pressure gradient).
- No abnormal temperature or pressures are anticipated.
- The formations to be penetrated do not contain known H₂S gas.

RECEIVED

DEC 17 2000

DIV. OF OIL, GAS & MINING

DRILLING PLAN

APPROVAL OF OPERATIONS

11. WATER SUPPLY

- a. Water supply has been addressed as item #5 within the following surface use plan.

12. CEMENT SYSTEMS

- a. Surface Cement: Drill 17 1/2" hole to 2,160' and cement 13 3/8" casing to surface.

<u>Type</u>	<u>Sacks</u>	<u>Interval</u>	<u>Density</u>	<u>Yield</u>	<u>Hole</u> <u>Volume</u>	<u>Cement</u> <u>Volume</u>	<u>Excess</u>
Lead	1350	0'-1,860'	12.5 ppg	1.91 CF/SK	1,287 CF	2,573 CF	100%
Tail	390	1,860'-2,160'	15.8 ppg	1.17 CF/SK	227 CF	454 CF	100%

Lead Mix: Halliburton Lite Premium + 1% CaCl₂ + 1/4 pps Flocele

Tail Mix: Halliburton Premium Cement + 2% CaCl₂ + 1/4 pps Flocele

- b. Intermediate Casing I Cement: Drill 12 1/4" hole to 4,710' and cement 9 5/8" casing to surface.

<u>Type</u>	<u>Sacks</u>	<u>Interval</u>	<u>Density</u>	<u>Yield</u>	<u>Hole</u> <u>Volume</u>	<u>Cement</u> <u>Volume</u>	<u>Excess</u>
Lead	380	0'-4,000'	10.5 ppg	4.10 CF/SK	1,227 CF	1,534 CF	25%
Tail	190	4,000'-4,710'	14.2 ppg	1.62 CF/SK	237 CF	296 CF	25%

Lead Mix: Halliburton Premium - Type III

Tail Mix: Halliburton Premium Cement + 10% Cal-Seal 60 + 2% CaCl₂ + 1/4 pps Flocele

- c. Intermediate Casing II Cement: Drill 8 1/2" hole to 8,110' and cement 7" casing to 3000'.

<u>Type</u>	<u>Sacks</u>	<u>Interval</u>	<u>Density</u>	<u>Yield</u>	<u>Hole</u> <u>Volume</u>	<u>Cement</u> <u>Volume</u>	<u>Excess</u>
Lead	190	4,000'-6,000'	12.5 ppg	1.98 CF/SK	285 CF	371 CF	30%
Tail	270	6,000'-8,110'	14.2 ppg	1.61 CF/SK	325 CF	422 CF	30%

Lead Mix: Halliburton 50/50 Poz Premium + 8% gel + 10% Cal-Seal 60 + 1/4 pps Flocele

Tail Mix: Halliburton Premium Cement + 10% Cal-Seal 60 + 1% CaCl₂ + 1/4 pps Flocele

- d. Production Casing Cement: Drill 6 1/4" hole to 8,750' and cement 4 1/2" casing to 6,200'.

<u>Type</u>	<u>Sacks</u>	<u>Interval</u>	<u>Density</u>	<u>Yield</u>	<u>Hole</u> <u>Volume</u>	<u>Cement</u> <u>Volume</u>	<u>Excess</u>
Primary	80	7,700'-8,750'	13.0 ppg	1.74 CF/SK	112 CF	129 CF	15%

Primary Mix: Halliburton Lite Premium + 3% KCL + 1% Econolite + 0.6% Halad-322 + 1/4 pps Flocele

13. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS

Starting Date: July 15, 2009

Duration: 30 Days

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DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ
 2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

4/1/2009

FROM: (Old Operator):

N2615-XTO Energy, Inc.
 392 CR 3100
 Aztec, NM 87410

Phone: 1 (505) 333-3170

TO: (New Operator):

N2855-Liberty Pioneer Energy Source
 1411 East 840 North, Suite 1490
 Orem, UT 84097-5486

Phone: 1 (801) 224-4771

CA No.

Unit:

SKYLINE II

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SKYLINE U 14-28	28	140S	060E	4303930028		Federal	GW	APD
SKYLINE U 8-7	07	150S	060E	4303930029		Federal	GW	APD

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 4/27/2009
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 4/27/2009
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 4/29/2009
- Is the new operator registered in the State of Utah: _____ Business Number: 6353640-0143
- If **NO**, the operator was contacted on: _____
- (R649-9-2) Waste Management Plan has been received on: IN PLACE
- Inspections of LA PA state/fee well sites complete on: N/A
- Reports current for Production/Disposition & Sundries on: OK
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 12/18/2008 BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 12/18/2008
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 4/29/2009
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 4/29/2009
- Bond information entered in RBDMS on: 4/29/2009
- Fee/State wells attached to bond in RBDMS on: _____
- Injection Projects to new operator in RBDMS on: _____
- Receipt of Acceptance of Drilling Procedures for APD/New on: 4/27/2009

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000334
 - Indian well(s) covered by Bond Number: _____
 - (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number _____
 - The **FORMER** operator has requested a release of liability from their bond on: n/a
- The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: _____

COMMENTS:



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov/ut/st/en.html>



IN REPLY REFER TO
3180
UT-922

#393

December 15, 2008

Liberty Pioneer Energy Source
c/o UnitSource Incorporated
11184 Huron Street, Suite 16
Denver, Colorado 80234

Gentlemen:

The Skyline II Unit Agreement, Emery and Sanpete Counties, Utah, was approved on December 15, 2008. This agreement has been designated No. UTU86686X, and is effective as of the date of approval.

This unit provides for the drilling of two obligation wells and subsequent drilling obligations pursuant to Section 9 of the unit agreement. The initial well is to be drilled to a depth of 8,750 feet or a depth sufficient to test 125 feet below the Base of the Ferron Sandstone, whichever is less, and located in the NE $\frac{1}{4}$ of Section 7, Township 15 South, Range 6 East, SLM&B, Sanpete County, Utah. The second well is to be drilled to a depth of 7,235 feet or a depth sufficient to test 125 feet below the Base of the Ferron Sandstone, whichever is less, and located in the SW $\frac{1}{4}$ of Section 28, Township 14 South, Range 6 East, SLM&B, Sanpete County, Utah. No extension of time beyond June 29, 2009, will be granted to commence the "obligation well" other than "unavoidable delay" (Section 25), where justified.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

The basic information is as follows:

1. The area to be unitized was approved under the unit plan regulations of December 22, 1950, by Bureau of Land Management letter of November 24, 2008.
2. All formations are unitized.
3. The unit area embraces 38,883.23 acres, more or less, of which 34,247.67 acres (88.08 percent) are Federal Lands, 920.00 acres (2.37 percent) are State Lands and 3,715.56 acres (9.55 percent) are Patented Lands.

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BLM OFFICE OF GAS & MINERAL



The following leases embrace lands included within the unit area:

UTU77262*	UTU78415	UTU78741	UTU79945
UTU77263*	UTU78416	UTU78742	UTU80163*
UTU78000	UTU78421	UTU78802	UTU80164
UTU78414*	UTU78422*	UTU79644*	

* Indicates lease to be considered for segregation by the Bureau of Land Management pursuant to Section 18 (g) of the unit agreement and Public Law 86-705.

All lands and interests are effectively committed except Tract 17 totaling 920.00 acres (2.37 percent) which is fully committed; Tract 42 totaling 359.64 acres (0.92 percent) which is partially committed; and Tracts 18-41 and 43-57 totaling 3,355.92 acres (8.63 percent) which are not committed. Also, certain overriding royalty interest owners have not signed the unit agreement. All parties owning interests within this unit area were invited to join the unit agreement.

Unleased Federal land, Tract 26, totaling 3,039.53 acres (7.82 percent), is not committed, but is considered to be controlled acreage because, prior to issuance of leases for the acreage, the lessee(s) may be required to commit to the unit agreement.

In view of the foregoing commitment status, effective control of operations within the unit area is assured. We are of the opinion that the agreement is necessary and advisable in the public interest and for the purpose of more properly conserving natural resources. Certification-Determination, signed by the School and Institutional Trust Land Administration for the State of Utah, is attached to the enclosed agreement.

Sincerely,

/s/ Becky J. Hammond

Becky J. Hammond
Chief, Branch of Fluid Minerals

Enclosure

bcc: UDOGM
MMS - MRM (Attn: Leona Reilly)
SITLA
BOR
Manti-La Sal Nation Forest
Field Manager - Richfield w/enclosure
Field Manager - Price w/enclosure
File - Skyline II Unit w/enclosure
Fluids - Al
Fluids - Judy
Fluids - Mickey
Agr. Sec. Chron
Reading File
Central Files

UT922:LWilcken:lw:12/16/08

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DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-78145
2. NAME OF OPERATOR: XTO Energy Inc. <i>N 2615</i>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: Box 1360; 978 N Crescent CITY Roosevelt STATE UT ZIP 84066			7. UNIT or CA AGREEMENT NAME: Skyline II
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2,023' FNL & 154' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 7 15S 6E S			8. WELL NAME and NUMBER: Skyline Unit 8-7
PHONE NUMBER: (435) 722-4521			9. API NUMBER: 4303930029
COUNTY: Sanpete			10. FIELD AND POOL, OR WILDCAT: undesignated
STATE: UTAH			

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>2/15/2009</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective April 1, 2009 XTO Energy Inc. resigned as Operator of the referenced well and requests that the operator be designated and the referenced approved APD transferred from XTO Energy Inc. to successor operator Liberty Pioneer Energy Source.

Liberty Pioneer Energy Source will operate the well under the approved conditions and approved APD utilizing BLM Blanket Bond UTB-000334.

XTO Energy Inc.

Edwin S. Ryan, Jr.
Edwin S. Ryan, Jr.
Senior Vice President Land - Administration

N2855
Liberty Pioneer Energy Source

Daniel R. Gunnell
Daniel R. Gunnell- President
1411E 840N Suite 1409
Orem Utah 84097-5486
801 224-4771

NAME (PLEASE PRINT) <u>Edwin S. Ryan, Jr.</u>	TITLE <u>Senior Vice President Land - Administration</u>
SIGNATURE <i>Edwin S. Ryan, Jr.</i>	DATE <u>4/1/2009</u>

(This space for State use only)

APPROVED *4129109*
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

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APR 27 2009

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

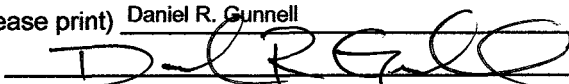
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Skyline Unit 8-7
API number:	4303930029
Location:	Qtr-Qtr: SENE Section: 7 Township: 15S Range: 6E
Company that filed original application:	Dominion Exploration & Production, Inc. then transferred to XTO Energy, Inc.
Date original permit was issued:	02/13/2006
Company that permit was issued to:	Dominion Exploration & Production, Inc. then transferred to XTO Energy, Inc.

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		<input checked="" type="checkbox"/>
<input type="checkbox"/> If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?		<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>UTB-000334</u>	<input checked="" type="checkbox"/>	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Daniel R. Gunnell Title President
Signature  Date 04/01/2009
Representing (company name) Liberty Pioneer Energy Source

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

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APR 27 2009
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
**Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.
UTU-78415

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Liberty Pioneer Energy Source, Inc.

3a. Address

1411 East 840 North
Orem, Utah 84097

3b. Phone No. (include area code)

801-224-4771

7. If Unit of CA/Agreement, Name and/or No.
Skyline II

8. Well Name and No.
Skyline Unit 8-7

9. API Well No.
43-039-30029

10. Field and Pool or Exploratory Area
Wildcat

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1,955' FNL & 141' FEL, SE/4 NE/4, Section 7, T15S, R6E, SLB&M

11. Country or Parish, State
Emery County, Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Updated
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Drilling Plan for
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Approval

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Liberty Pioneer respectfully submits the attached updated drilling plan for review and approval. The updated plan reflects casing and cement information for surface to 600', intermediate to 8,050' and TD at 8,750'.

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

RECEIVED

JUN 25 2009

FILE COPY

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Don Hamilton

Don Hamilton

Title Agent for Liberty Pioneer Energy Source, Inc.

Signature

Date 06/22/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

DRILLING PLAN

Attachment for Permit to Drill

Name of Operator: Liberty Pioneer Energy Source, Inc.
Address: 1411 East 840 North
Orem, Utah 84097
Well Location: Skyline Unit #8-7
2023' FNL & 154' FEL, SE/4 NE/4,
Section 7, T15S, R6E,
Sanpete, UT

1. Geologic Surface Formation North Horn

2. Estimated Depths of Important Geologic Markers

Formation	TVD
Price River	1350'
Castlegate	1850'
Blackhawk	2150'
Star Point	3100'
Mancos	3450'
Emery	4700'
Bluegate	6100'
Ferron	8100'
Tununk	8625'

3. Estimated Depths of Anticipated Oil, Gas, or Minerals

Formation	TVD	Type
Price River	1350'	-----
Castlegate	1850'	-----
Blackhawk	2150'	-----
Star Point	3100'	-----
Mancos	3450'	-----
Emery	4700'	-----
Bluegate	6100'	-----
Ferron	8100'	Gas
Tununk	8625'	-----

4. Proposed Casing Program

Type	Size	Weight	Grade	Conn.	Top	Bottom	Hole	Burst	Tension	Collapse
Surface	13 3/8"	54.5	K-55	STC	0'	600'	17 1/2"	1.82	2.95	4.63
Intermediate	7"	26	N-80	LTC	0'	8050'	8 3/4"	1.80	1.84	1.36
Production	4 1/2"	11.6	N-80	LTC	7850'	8750'	6"	1.15	1.91	1.38

All casing will be new.

5. Operator's Minimum Specifications for Pressure Control

Surface hole: No BOPE will be utilized.

Intermediate and Production hole: Prior to drilling out, 5000 psi BOP equipment will be installed.

The pipe rams will be operated at least once per day from the surface casing to total depth. The blind rams will be tested once per day from surface casing to total depth if operations permit.

A diagram of the planned BOP equipment for normal drilling operations in this area is attached. As denoted there will be two valves and one check valve on the kill line, two valves on the choke line, and two adjustable chokes on the manifold system. The BOP “stack” will consist of three BOP rams (2 pipe, 1 blind) and one annular type preventor, all rated to a minimum of 5000 psi working pressure.

The BOP equipment will be pressure tested prior to drilling below the surface casing shoe. All tests will be maintained for 5 minutes at a low pressure (250 psi) and for 10 minutes at a high pressure (4000 psi). Clear water will be circulated into the BOP stack and lines prior to pressure testing. The following test pressures will be used as a minimum for various equipment items.

1. Annular BOP	(70% of working pressure)	3500 psi
2. Ram type BOP		4000 psi
3. Kill line valves		4000 psi
4. Choke line valves and choke manifold valves		4000 psi
5. Chokes		4000 psi
6. Surface Casing, casinghead & weld		1500 psi
7. Intermediate Casing, casinghead & weld		4000 psi
8. Upper kelly cock and safety valve		4000 psi
9. Dart valve		4000 psi

6. Mud Systems

An air or air/mist system will be used to drill the surface hole.

A Cationic Aerated Drilling System will be used to drill the well.

Depths	Mud Weight (ppg)	Mud System
0' – 600'	N/A	Air, Air/Mist
600' – 8050'	6.0 to 8.4	Cationic Fluid and Nitrogen
8050' – 8750'	N/A	Air, Air/Mist

7. Blooie Line

An automatic igniter will not be installed on blooie line. The blooie line will have a constant ignition source.

A “target tee” connection will be installed on blooie line for 90° change of directions for abrasive resistance.

“Target tee” connections will be a minimum of 50' from the wellhead.

The blooie line discharge will be a minimum of 100' from the wellhead.

8. Auxiliary Equipment to be used

Kelly cock.

Full opening valve with drill pipe connection will be kept on floor. Valve will be used when the kelly is not in the string.

9. Testing, Logging, and Coring programs to be followed

DIL/GR log from surface casing to TD and GR to surface

CNL/FDC/GR from 2500' to TD

10. Anticipated Abnormal Pressures or Temperatures Expected

Expected BHP 2927 to 3117 psi (lower than a normal pressure gradient).

No abnormal temperature or pressures are anticipated.

The formations to be penetrated do not contain known H₂S gas.

11. Water Supply

Water supply has been addressed as item #5 within the previously approved surface use plan.

12. Cement Systems

Surface Cement: Drill 17 ½" hole to 600' and cement 13 ¾" casing to surface

Type	Sacks	Interval	Density	Yield	Hole Volume	Cement Volume	Excess
Tail	570	0' – 600'	15.8 ppg	1.16 cf/sx	452 cf	710 cf	57%

Surface Cement: Class "G" + 2% CaCl₂ + ¼ lb/sx flocele

Intermediate Cement: Drill 8 ¾" hole to 5900' and cement 7" casing to surface

Type	Sacks	Interval	Density	Yield	Hole Volume	Cement Volume	Excess
S1 – Lead	450	3300' – 7550'	12.5 ppg	1.94 cf/sx	639 cf	873 cf	36%
S1 – Tail	100	7550' – 8050'	14.3 ppg	1.26 cf/sx	75.2 cf	126 cf	67%
DV Tool							
S2 – Lead	470	0' – 3250'	12.5 ppg	1.94 cf/sx	759 cf	912 cf	35% - OH 0% - CH
S2 - Tail	50	3250' – 3300'	14.3 ppg	1.26 cf/sx	15 cf	25 cf	67%

Intermediate 1st Stage:

Lead: 65:35 Poz + 6% Gel + 0.4% Halad-344 + 0.2% Super CBL + 2 lb/sx Silicalite Compacted + 0.2% HR-7

Tail: 50:50 Poz + 5 lb/sx Gilsonite + 2% Microbond M + 0.3% Halad-344 + 0.2% HR-5 + 0.2% Super CBL

Intermediate 2nd Stage:

Lead: 65:35 Poz + 6% Gel + 0.4% Halad-344 + 0.2% Super CBL + 2 lb/sx Silicalite Compacted + 0.2% HR-7

Tail: 50:50 Poz + 5 lb/sx Gilsonite + 2% Microbond M + 0.3% Halad-344 + 0.2% HR-5 + 0.2% Super CBL

The 4 ½" liner will be pre-perforated and hung with a liner hanger and not cemented.

13. Anticipated Starting Date and Duration of Operations

Starting Date: July 15, 2009

Duration: 30 days

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-78415
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: LIBERTY PIONEER ENERGY SOURCE, INC		7. UNIT or CA AGREEMENT NAME: SKYLINE II
3. ADDRESS OF OPERATOR: 1411 East 840 North , Orem, UT, 84097		8. WELL NAME and NUMBER: SKYLINE U 8-7
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1955 FNL 0141 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 07 Township: 15.0S Range: 06.0E Meridian: S		9. API NUMBER: 43039300290000
PHONE NUMBER: 801 224-4771 Ext		9. FIELD and POOL or WILDCAT: WILDCAT
COUNTY: SANPETE		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 7/21/2009	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PLUG BACK	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> APD EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: _____	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The Dry spud for the Skyline Unit 8-7 was completed on JULY 21, 2009 @ 2100 HRS		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY July 23, 2009		
NAME (PLEASE PRINT) Don Hamilton	PHONE NUMBER 435 719-2018	TITLE Permitting Agent (Buys & Associates, Inc)
SIGNATURE N/A	DATE 7/23/2009	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
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TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> ALTER CASING	
<input checked="" type="checkbox"/> SPUD REPORT Date of Spud: 7/26/2009	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
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	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: _____	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The well was rotary spud JULY 26, 2009 @ 1800 HRS.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY August 04, 2009		
NAME (PLEASE PRINT) Don Hamilton	PHONE NUMBER 435 719-2018	TITLE Permitting Agent (Buys & Associates, Inc)
SIGNATURE N/A	DATE 8/3/2009	

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Liberty Pioneer Energy Source, Inc. Operator Account Number: N 2855
Address: 1411 East 840 North
city Orem
state UT zip 84097 Phone Number: (801) 224-4771

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4303930029	Skyline Unit 8-7		SENE	7	15S	6E	Sanpete
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	17332	17332	7/26/2009		7/30/2009		
Comments: The well was dry spud JULY 21, 2009 @ 2100 HRS. The well was rotary spud JULY 26, 2009 @ 1800 HRS.							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Don Hamilton

Name (Please Print)

Don Hamilton

Signature

Agent for Liberty Pioneer

8/3/2009

Title

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other b. Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr., Other: _____						5. Lease Serial No. UTU-78415																																																			
2. Name of Operator Liberty Pioneer Energy Source, Inc.						6. If Indian, Allottee or Tribe Name N/A																																																			
3. Address 1411 East 840 North Orem, Utah 84097				3a. Phone No. (include area code) 801-224-4771		7. Unit or CA Agreement Name and No. Skyline II																																																			
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 1955' FNL & 141' FEL, SE/4 NE/4, At top prod. interval reported below At total depth						8. Lease Name and Well No. Skylin Unit 8-7 <input checked="" type="checkbox"/>																																																			
14. Date Spudded 07/12/2009						15. Date T.D. Reached 08/20/2009																																																			
16. Date Completed <input checked="" type="checkbox"/> D & A <input type="checkbox"/> Ready to Prod.						9. API Well No. 43-039-30029																																																			
18. Total Depth: MD 9167' TVD 9167'				19. Plug Back T.D.: MD TVD		10. Field and Pool or Exploratory Wildcat																																																			
21. Type Electric & Other Mechanical Logs Run (Submit copy of each)						11. Sec., T., R., M., on Block and Survey or Area Section 7, T15S, R6E, SLB&M																																																			
22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy)						12. County or Parish Sanpete																																																			
23. Casing and Liner Record (Report all strings set in well)						13. State UT																																																			
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*(See instructions and spaces for additional data on page 2)

RECEIVED

JUL 09 2012

Div. of Oil, Gas & Mining

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
N/A			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
N/A			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
N/A			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
N/A			→						

29. Disposition of Gas (Solid, used for fuel, vented, etc.)
Never produced

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				North Horn Price River	Surface 1339'
				Castle Gate Est. top Blackhawk	1952' 2138'
				Est. top Star Point Est. top Mancos	3038' 3420'
				Emery Bluegate	4415' 5920'
				Ferron Tununk	8292' 8815'

32. Additional remarks (include plugging procedure):

August 25, 2009- Set cdc @ 7300, pump 59 sks class G cmt @ 15.8 ppg (12 BCM), Y-1.15, (316' cmt below cdc), pump 25 sks class G cmt @ 15.8 ppg (5 BCM), Y-1.15, (130' CMT top of cdc), perforated 2 holes @ 3988', set cdc @ 3788', pump 100 sks class G cmt @ 15.8 ppg (20.5 BCM), Y-1.15, (200' cmt in csg, 336' behind pipe), pump 25 sks class G cmt @ 15.8 ppg (5 BCM), Y-1.15, (130' cmt top of cdc), pump 25 sks class G cement @ 15.8 ppg (5 BCM), Y-1.15, (592' to 722'), Land well head.

August 24 & 25 2010- Cmt was found back to surface between conductor and 13 3/8" surface pipe. Cement was found back to surface between 13 3/8" and 9 5/8" intern string. Cement was not found back to surface between 9 5/8" intern string and 7" long string. Assume that cement plugs were set when plugging the well back as indicated above. Annular volume between 9 5/8" and 7" long string was not cemented back to surface during casing. Day 1- Assume a non corrosive space of mud in place. Pumped 59 sks (2.3 cubic yards) of class G cement back to surface, est column height of cement is 400 ft. Day 2- pumped 156 sks (6 cubic yards) of Glass G neat cement back to surface, est column height of cement is 1030 ft. Cement column topped off at surface. Cemented 7" long string back to surface with 4.7 cubic yards (122 sks) of class G neat. Total cement pumped 13 yards (335 sks).

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ Electrical/Mechanical Logs (1 full set req'd.) ☐ Geologic Report ☐ DST Report ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification ☐ Core Analysis ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Don Hamilton

Title Agent for Liberty Pioneer Energy Source, Inc.

Signature Don Hamilton

Date 09/23/2010

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 3)

(Form 3160-4, page 2)